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THE DIFFERENCE

Belize asks Israel to restrain Guatemala

Visiting Belize Prime Minister Manuel Esquivel asked Israel last week to "use its influence" to restrain Guatemala from aggression against his country.

Guatemala has repeatedly declared its claim to be the whole territory of Belize, which is about Israel's size, and Britain has for years maintained a small garrison and RAF aircraft in the country (formerly British Honduras) to deter Guatemala. Belize has only a native "defence force" of "several hundred" men compared with Guatemala's 25,000-man army.

"Of course, most of Guatemala's troops are busy with internal affairs most of the time," says Esquivel, with a smile. But, he adds, the threat of Guatemalan invasion is "always present."

Esquivel believes that Israel can influence Guatemala because (according to foreign publications) a large portion of that country's arms are Israeli-made. This would seem to give Israel a "right to speak about, to influence the use of those arms," says Esquivel, a former physics teacher in Belize's junior college (where his wife still teaches).

The Falklands War victory greatly enhanced Britain's deter-

Cabinet meeting on Shin Bet today

Likud to oppose Harish on probe

By BENNY MORRIS
Post Diplomatic Correspondent
Likud spokesmen yesterday dismissed Attorney-General Yosef Harish's "ultimatum" on the General Security Service affair and said that its ministers at today's special cabinet meeting would continue to oppose proposals for both a police investigation and a judicial commission.

Such opposition will leave the cabinet split (Likud-Labour) down the middle and the Likud at loggerheads with the attorney-general. The likely upshot is that Harish will, on his own, order the start of a police investigation and inform the High Court of Justice that he has done so. However, the start of the investigation would wait upon the High Court's instruction, or a cabinet decision, to do so, observers believe.

Harish yesterday offered a major sop to the opponents of a judicial commission by suggesting that, if set up, its terms of reference could be so circumscribed as to avoid investigation of overly sensitive topics (such as the killing of the two captured Arab terrorists in April 1984, the act that set in train the GSS affair).

Speaking at yesterday's cabinet meeting, Harish repeated his position that the High Court will next

week almost certainly order the police to investigate if the cabinet fails before then to issue such an order or fails to set up a commission of inquiry. Harish said he is unwilling to respond to the High Court's show cause order of 10 days ago ordering the government to explain why it should not go forward with a police investigation.

Harish now believes that an investigation by the police or a judicial commission is necessary and that the High Court will, in any case, rule so within days.

Harish told the ministers: "You want to hide everything and to sweep it all under the carpet... The choice (between a judicial commission and a police investigation) is like that between being stoned and being burned alive, but nothing can stop an investigation..." Harish said that a judicial commission of inquiry was preferable to a police investigation.

But the Likud yesterday remained united in the stance that any type of serious investigation is to be avoided and that it is illogical to agree to one unless compelled to do so by the High Court.

Transport Minister Haim Corfu, voicing the Likud position, said that Harish should tell the High Court (Continued on Page 2, Col. 1)

Cabinet votes 12-7 to suspend Recanati

Discount shaken by move

By PINHAS LANDAU and AVI TEMKIN

The united front hitherto presented by the Israel Discount Bank's board of directors was in danger of disintegrating in the wake of yesterday's cabinet decision to authorize Bank of Israel Governor Michael Bruno to suspend Discount's chairman Raphael Recanati.

Dr. Joshua Rotenstreich, one of the four outside directors on the 13-man board and a respected jurist as well as chairman of the Israeli

Press Council, told *The Jerusalem Post* that the cabinet vote "changes the situation from one extreme to the other." In his opinion, Recanati will resign before Bruno takes action.

Discount Bank executives, however, said last night that no resignation was in the offing and that the bank would wait for Bruno to move before it acted itself.

Bank of Israel sources, although maintaining the generally tight-lipped stance they have taken throughout the 19-day clash between the newly-installed governor and the



Raphael Recanati (Brutmann)

country's third largest commercial banking group, made it clear that Bruno intends to act without much delay in suspending Recanati for a three-month period, as the law empowers him to do.

Prior to the cabinet decision, it had been assumed that the Discount Bank would appeal to the High Court of Justice against any attempt to unseat Recanati, and legal experts stressed last night that this option is still open to the bank. However, they take the view that such an appeal would probably fail (Continued on back page)

Bruno swings ministers

By ASHER WALLFISH

The cabinet yesterday approved the request of the Governor of the Bank of Israel that Discount Bank chairman and general manager Raphael Recanati be suspended under the terms of the Banking Ordinance and in accordance with the recommendations of the Bejski commission.

Twelve Ministers voted to support Bank Governor Michael Bruno. Seven voted against Bruno's demand, and six abstained.

Several ministers said later that the size of the majority behind Bruno was as much of a surprise to the governor's supporters as to his opponents. Before the start of the weekly cabinet session, which devoted nearly six hours to the Recanati issue, it was generally believed that Bruno would fail narrowly to get sufficient support for his demand.

In fact, those ministerial aides who regularly slip in and out of the building during cabinet sessions to feed tidbits to reporters said that Recanati's fate hung in the balance right to the very end.

The temperature of the discussion rose when Justice Minister Yitzhak Moda'i and Science and Development Minister Gideon Peat poured scorn on Bruno, on Bejski and on

the Knesset State Control Committee, which has been prodding the cabinet to stop dragging its feet.

Some political observers saw significance in the fact that seven of the 10 inner cabinet members did not back Bruno's demand to suspend Recanati: namely Peres, Shamir, Sharon, Moda'i, Levy, Navon and Rabin. Recanati's fate was therefore sealed, in the main, by second-ranking ministers.

Religious Affairs Minister Yosef Burg encountered no resistance

How they voted

● Voting to endorse Bruno's demand were Religious Affairs Minister Yosef Burg, Economics Minister Gad Ya'acobi, Absorption Minister Ya'acov Tser, Communications Minister Amnon Rubinstein, Energy Minister Moshe Shalev, Health Minister Mordechai Gur, Minister-without-Portfolio Exer Weizman, Police Minister Haim Bar-Lev, Minister-without-Portfolio Yosef Shapira, Finance Minister Moshe Nisim, Minister-without-Portfolio Moshe Arens and Transport Minister Haim Corfu.

● Against were Vice Premier Yitzhak Shamir, Trade and Industry Minister Ariel Sharon, Justice Minister Yitzhak Moda'i, Tourism Minister Avraham Shari, Science and Development Minister Gideon Peat, Interior Minister Yitzhak Peretz and Minister-without-Portfolio Yigael Hurvitz.

● The abstainers were Prime Minister Peres, Housing Minister David Levy, Education Minister Yitzhak Naveh, Agriculture Minister Arye Nehamkin, Defence Minister Yitzhak Rabin and Labour Minister Moshe Katzav.

from his colleagues to his proposal to sweeten the bitter pill by having the committee of ministers on Bejski recommendations set the period of time during which the ousted managing directors could not return to their posts. The decision reflected the cabinet consensus that the punishment must not be permanent. The ministerial committee has not met so far.

Moda'i criticized the Bejski commission for having handled the whole bank share regulation issue in a superficial and haphazard manner. He complained that Bejski ignored the cardinal rule of Bank Hapoalim in 1977, when it became the first to regulate bank shares, after the flow of government money had dried up (under the new Likud regime - AW)

Patt said that Bejski had made one error after another. He slipped up all along the line, Patt said. Bruno should realize that the Bejski recommendations simply do not lend themselves to implementation.

When Patt warned that the Discount management and staff could close the bank down in response to Recanati's ouster, Health Minister Gur retorted that threats would only boomerang.

(Continued on page 7)

Kraus: Police investigation 'unlikely' to touch politicians

By BARBARA AMOUYAL

Police Inspector-General David Kraus told *The Jerusalem Post* yesterday that it was "highly unlikely" that a police investigation into the Shin Bet affair would touch the political echelon.

According to Kraus, police will investigate all alleged "tangible crimes," such as the actual killing of the two terrorists caught in the bus 300 hijacking and the false testimony brought by several Shin Bet men before the Zorea and Blattman commissions of inquiry.

Kraus refused to elaborate on investigative plans or what effect the presidential pardons of four Shin Bet officials would have on the investigation. He did say, however, that police would be ready to start their investigation "one or two days" after receiving the green light from Attorney-General Harish.

Responding to queries as to why a police probe was stalled, despite complaints by former attorney-general Yitzhak Zamir, Citizens Rights Movement MK Yossi Sarid, Tel Aviv attorney Amnon Zichrony and families of the two slain terrorists, who legally obligate police to investigate the Shin Bet affair, Kraus said: "First, the new attorney-general asked me to wait on Zamir's complaint until he could study the case. Second, because of the political and security sensitivity of the case, I decided to let all involved parties come to some type of agreement before embarking on an independent police probe."



Belize Prime Minister Manuel Esquivel (Harari)

IN PERSON

BENNY MORRIS

rent image, Esquivel believes. But he worries about the day when Britain will withdraw its troops from his country. He believes Britain will continue to supply military experts and weaponry and says that Belize does not have the money to run a large "defence force."

Esquivel noted "as a good sign" that the Guatemalan ambassador to Israel attended the reception for him during his visit.

Belize's major problems are economic, says Esquivel. He spoke of high unemployment, and an economy dependent on sugar and citrus production. Belize must develop light industries and an export-oriented, diversified agriculture, he said. Towards the end of the year, Esquivel said, a team of Israeli officials from Gad Ya'acobi's Economic Ministry and a team of businessmen, including Saul Eisenberg, or someone from his enterprises, will visit Belize to review the country's development plan and investment potential.

Eisenberg is Belize's honorary consul in Israel, which established diplomatic relations with Belize in 1984. Israel's ambassador in Costa Rica is also accredited to Belize. There is a permanent Israeli honorary consul in the capital city, also called Belize, where a third of the country's 170,000 population live. The consul's, says Esquivel, is the only Jewish family in the country.

Esquivel's visit was also geared to learning more about the Middle East problem, he said. He said he now understands the conflict and the "positions regarding a Palestinian homeland" better. Peres spoke to him of the need to "return some of the land taken in 1967," Shamir spoke "not of territory" but of people, he said.

He yesterday wound up his week-long visit, which included meetings with Prime Minister Peres and Foreign Minister Yitzhak Shamir.

Girl hurt in Dizengoff bomb blast

By YORAM GAZIT

TEL AVIV. — A small bomb exploded near Dizengoff Circle last night, causing slight injury to 17-year-old Inbar Shapira of Kibbutz Amir, in Upper Galilee.

The bomb, apparently hidden in a garbage pail behind a tree, went off at 8 p.m., when nearby cafes were full and hundreds of people were on their way to theatres and cinemas in the vicinity.

The injured teenager was taken to hospital by her father. Police cordoned off the area and detained about 100 Arabs for questioning. About half-an-hour later Rehov Dizengoff was again filled with strollers.

3 IDF men wounded in Lebanon

By MENAHEM HOROWITZ

JERUSALEM Post Reporter
METULLA. — Three IDF soldiers were injured yesterday near Taibe in the security zone when their tank went over a mine.

The three were flown by helicopter to Rambam Hospital in Haifa, where doctors described the injuries of two of the soldiers as "moderate" and one as "light."

IDF forces mounted a search of the area.

According to a report from Beirut, Israeli warplanes drew ground fire yesterday when they flew high over the Bekaa valley in eastern Lebanon for the first time in two months.

Hindus burn alive 2 Moslems as rioting spreads in India

AHMEDABAD, India (AP). — Police opened fire yesterday to disperse Hindus and Moslems rioting for the fifth day, as Hindus burned alive two Moslems at the main government hospital here in western Gujarat state.

Police said no injuries were reported when they opened fire and used tear-gas against both Moslems and Hindus.

Curfew has been imposed in the old walled city of Ahmedabad and in parts of Baroda. Federal paramilitary troops have been rushed here

and the army has been alerted but not yet deployed.

The death toll in five days of sectarian violence rose to 49 in Gujarat, 45 of them in Ahmedabad, about 800 km. south-west of New Delhi, a government statement said.

Some 50 Hindus attacked Moslems visiting a patient at the civil hospital, one of the largest in Asia, hospital sources said. The two victims were set ablaze and then hurled out of a third-floor window, they said.

Helicopters used in strike on terrorists

By AVI HOFFMAN
Post Defence Reporter

The Israel Air Force revealed for the first time yesterday that it had used attack helicopters to hit terrorist bases. The commander of the air

force, Aluf (maj.-gen) Amos Lapidot, confirmed foreign reports that Thursday's strike against terrorist targets near the Ein Hilwa refugee camp in South Lebanon was carried out by missile-armed helicopters.

"The use of helicopters was successful. They attacked at a range of several kilometres with accurate weapons. They did not hit anything, including people, that was not meant to be hit," Lapidot told reporters in a briefing for Air Force Day, to be marked on Thursday.

News agency reports from the Lebanese port of Sidon said that at

least 10 people were killed or wounded and buildings were demolished when four IAF helicopters hit three Palestinian terror bases with more than 16 missiles.

The air force commander said that attack helicopters were now deployed as an integral complement to the ground forces along the border. They were being used for routine patrolling and also had a deterrent function. They were available to local commanders and could be sent into action within minutes when necessary.

(Continued on Page 2, Col. 6)

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EIGHT PAGES FROM SUNDAY'S
The New York Times
WEEKLY REVIEW INSIDE TODAY

The weather at major Swissair destinations

	13.7.86	MIN.	MAX.	WIND	WEATHER
AMSTERDAM	11	12	19	66	Cloudy
BRUSSELS	11	13	19	66	Cloudy
BUEENOS AIRES	5	11	24	62	Cloudy
CHICAGO	11	12	18	64	Cloudy
COPENHAGEN	11	12	18	64	Cloudy
FRANKFURT	7	12	21	78	Clear
GENEVA	12	14	20	73	Clear
HELSINKI	19	20	25	77	Clear
HONG KONG	27	31	39	86	Cloudy
JOHANNESBURG	16	18	25	77	Clear
LISBON	4	9	19	66	Clear
LONDON	14	15	19	64	Cloudy
MADRID	20	24	29	64	Clear
MONTREAL	14	18	25	73	Clear
NEW YORK	17	18	21	67	Cloudy
OSLO	9	10	15	62	Cloudy
PARIS	13	14	22	72	Cloudy
SAO PAULO	12	14	26	79	Clear
STOCKHOLM	13	14	21	67	Cloudy
TOKYO	15	17	27	81	Cloudy
TORONTO	12	13	21	67	Cloudy
VIENNA	12	14	21	67	Cloudy
ZURICH	12	14	21	67	Cloudy

*For the latest weather conditions contact Swissair.

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THE WEATHER

	Yesterday's	Yesterday's	Today's
	Temp.	Temp.	Temp.
Jerusalem	40	17-28	38
Golan	43	16-30	30
Nahariya	35	-	28
Tel Aviv	38	17-29	29
Haifa Port	-	-	-
Tiberias	36	24-35	35
Nazareth	48	20-29	29
Afula	42	20-31	31
Shomron	41	18-30	29
Tel Aviv	41	18-30	29
B-G Airport	58	20-29	30
Jericho	31	22-36	36
Gaza	66	22-38	38
Beersheba	55	20-32	32
Eilat	15	25-39	39

Only nine sick on cruise liner

By YA'ACOV FRIEDLER

HAIFA. — The British cruise liner Canberra, some of whose passengers have reportedly suffered from a mysterious ailment on recent voyages, docked in Haifa yesterday. All but nine of the ship's almost 1,600 passengers disembarked on tours of the country.

The nine, who were suffering from stomach upsets, stayed on board at the suggestion of the Israeli health authorities. All the other passengers were said to be "feeling fine."

During the first eight days of the Mediterranean cruise 25 passengers, apart from the nine who stayed aboard yesterday, were incapacitated for several hours with stomach upsets for which no explanation has been found.

The ship sailed last night for Athens on her way back to Southampton.

HOME AND FOREIGN NEWS

Border mayors: Gov't promises are empty

By DAVID RUDGE
Jerusalem Post Reporter

HURFESH. — The leaders of "frontline" towns and settlements, meeting in this Druze village three kilometres from the Lebanese border, yesterday, accused the government of failing to fulfil its promises to give them special aid. They demanded "deeds, not words" from the authorities.

Only the Defence Ministry has honoured its commitments, made after the Lebanon war, the leaders said.

The IDF, they said, was doing a sterling job in trying to ensure the security of the region, but some incidents were inevitable.

Nevertheless, there was tension and uncertainty, said Yossi Goldberg, chairman of the committee of frontline towns and settlements. "The problem is to ensure a normal life for those living here, despite the security problems," said Goldberg, who is also head of the Metula Local Council.

The only way to strengthen the morale and

increase the number of new settlers was to improve services in all fields and provide employment, he said.

Many of the settlements were having a hard time because of the farming crisis, and because there were few factories, there was a shortage of jobs.

The biggest industries in the region manufactured food, textile and wood products, but they did not pay high wages. "We need more high-tech firms here and more industry in general," said Goldberg.

The government's promises to help in this and other fields, such as health, education and local authority budgets, had not been carried out.

The emergency ward in Kiryat Shmona did not have enough doctors, and the government-run hospitals in Safad and Nahariya were understaffed, overcrowded and short of equipment and medical supplies, said Goldberg.

Some townships, like Metula, had no ambulance station, and there was a general shortage of ambulances in the region.

Local councils had been promised there would be no cuts in education services, yet summer camps had been curtailed for lack of funds. Similarly, local authority budgets had been cut despite pledges that they would not be.

Yusuf Her al-Din, head of Hurfesh Local Council, said his village needed more bomb-shelters. The council had no funds to improve roads or provide amenities like a community centre, youth club or swimming pool. Several young people had left the settlement for places with better facilities, he said.

To illustrate the lack of amenities, he said the council building where the meeting was being held was rented. "We will have to move out in three months," he said.

The meeting was attended by heads of nine towns and regional councils in the area. They are due to meet Prime Minister Shimon Peres this week to press their demands.

Burg to stay on till September — at least

By SARAH HONIG
Post Political Correspondent

TEL AVIV. — The National Religious Party's Dr. Yosef Burg is not resigning from the government just yet. He will stay on in the cabinet at least until September. Thus his crucial vote on the General Security Services (Shin Bet) affair will in all likelihood not be his last say in the government.

This follows the NRP rehabilitation committee's decision to defer elections for the new party leader until after the first session of the party's convention, due to open on July 20. The move has created a furor in the NRP and some of the contenders for Burg's position are already saying they will oppose the decision at the convention.

If there is no change, however, the convention will be largely devoid of excitement until the contest is staged in September.

Dr. Burg was initially due to have resigned last November but did not. He later promised to step down at the end of June but that too did not happen. It was then understood that his departure from the government would finally come about on July 20.

when the convention opens. Last week Dr. Burg even deposited his letter of resignation from the government with his ally, Raphael Ben-Natan, as he had promised he would do some six months ago.

Among the contenders for Burg's post in the NRP are MKs Ze'evulun Hammer, Avner Shalei and former MK Avraham Melamed. It is expected that others will throw their hats in the ring as well.

Unofficially, it is explained that the rehabilitation committee wants to avert a major confrontation which would nullify its efforts to heal the party rifts. The committee has failed so far to find a candidate whom all NRP factions would support and therefore decided to play for time.

However, committee chairman Yitzhak Yaeger explains that what dictated the committee's move was the calendar. He says that when the convention was first scheduled, the planners were unaware that the last day of proceedings would fall on the eve of the 17th of Tamuz fast. Thus, it is now argued, there is no way the convention would be able to complete all of its business on time.

Yaeger maintains that because of this it was decided to "postpone deliberations on some items to a later stage of the convention. We will not have two sessions. There will be a single session, but in two stages."

Shalei, who has called this "preposterous," promises to force a vote on the issue at the convention.

"Did the learned committee members really not know the date of the fast? And if we accept that they really were not familiar with the Jewish calendar and had to postpone some items of business, why put off the convention's most important business? Why not defer deliberation on some less controversial issues?"

Hammer was less outspoken, saying that he had had "some trouble with the decision." But "there are other controversial issues which the delegates will have to consider."

Melamed, who belongs to the Burg faction, sees nothing wrong with the postponement.

Trouble may also be brewing in the NRP from another direction. The Matzad segment of Morasha has joined the NRP in a joint Knesset



An Israeli Air Force Hughes Defender attack helicopter fires a missile (seen just forward of the forward rotor).

HELICOPTERS

(Continued from Page One)

Lapidot said that the attack helicopter was only one of several options that the air force held to strike at enemy targets. The fact that terrorists did not know where, when and how the next IAF strike would be carried out kept them off balance and hampered their activities.

According to the latest edition of *The Middle East Military Balance*, the IAF possesses 20 Bell Cobra and 35 Hughes Defender attack helicopters, both manufactured in the U.S. The two combat craft can be armed with the TOW anti-tank missile system, which is also accurate and effective against hard targets such as buildings.

Lapidot acknowledged that the long-range anti-aircraft missiles the Syrians had deployed along their border with Lebanon had limited the IAF's freedom of action over parts of Lebanon. Israel was not now interested in provoking the Syrians, Lapidot said, but when it becomes necessary to fly where "we previously flew, we have the solutions," he said.

The air force yesterday unveiled one of these solutions — a missile that locks on to and destroys enemy radar, rendering ineffective anti-aircraft missiles, which are radar-guided.

Called Standard ARM (anti-radiation missile) and made by General Dynamics of the U.S., the weapon is an upgraded version of the Shrike missile used by the IAF in the Yom Kippur War. An even more advanced version, called HARM (high-speed anti-radiation missile) was used by the U.S. Air Force to

take out the Libyan radars in its raid last April.

ARM was used by the IAF during the Lebanon War. The system is brought into action as soon as the attacking aircraft picks up hostile radar transmissions. The missile is then launched at "stand-off" range — greater than the range of the hostile surface-to-air missiles.

ARM has "fire-and-forget" capability, or in other words, once launched the missile automatically homes on to the source of the radar transmission. If, in defence, the missile battery switches off its radar cover, it renders itself blind and becomes vulnerable to attack by regular strike aircraft.

Lapidot confirmed that Syria, which poses the main military threat to Israel, will soon — within a few months — receive the MiG-29, the latest plane in the Soviet arsenal, which is in the same class as Israel's F-16s.

"This adds a new dimension to the Syrian threat," he said. Other Arab air forces were also getting the newest generation of combat aircraft, he added.

Despite these developments, the IAF was at present managing to maintain the qualitative edge over the enemy. But, Lapidot stressed, the cumulative effect of budget cuts was leaving its mark on pilot training and "it could not be denied that the situation is becoming more and more difficult."

PRIZE. — The prize for the best-run police unit in the country was awarded yesterday to the Netanya police station by Inspector-General David Kraus.

Kiryat Arba scam charges

By JOEL GREENBERG
Jerusalem Post Reporter

The Interior Ministry's comptroller is examining charges by Citizens Rights Movement MK Ran Cohen that members of the Kiryat Arba local council embezzled public funds.

The police submitted Cohen's complaint to the Interior Ministry's comptroller for review before deciding whether to investigate.

In the ultra-Orthodox town of Ariel southwest of Nablus, in the West Bank, about 100 psalm-

chanting demonstrators gathered yesterday to protest against a police takeover of a flat in which a local family had squatted. Police turned the apartment over to representatives of the flat's builders, the Matityahu Lishitz company. About 20 families in Ariel recently began moving into unfinished flats built by the firm after the company refused to turn them over to owners because of non-payment by the bankrupt Kochav Hashomron company, which contracted with the Lishitz company to build the flats.

Egyptian minister cancels Israel trip

A projected visit to Israel by the Egyptian Tourism Minister at the end of this month has been cancelled. The minister, Fuad Sultan, yesterday notified his Israeli counterpart Avraham Sharir that the visit was off. He offered no explanation, nor did he state if and when he would be able to come here.

Sharir sent a telegram to Egypt expressing deep disappointment and urging Sultan not to delay his visit.

The deferment of talks on tourism harms the interests of both countries in their common endeavour to promote tourism from the U.S. and Europe, Sharir stated in a press communique.

in Cairo in February. The court then adjourned the hearing until October 5. A total of 1,236 people face trial on charges relating to the riots.

Cairo court refuses to release rioters

CAIRO (Reuters). — Egypt's Supreme State Security Court yesterday rejected a defence plea for the release of police conscripts who rioted

Journalists call on ministry not to close 2 E. J'lem papers

By JOEL GREENBERG
Jerusalem Post Reporter

The Association of Israel Journalists in Jerusalem yesterday urged the Interior Ministry not to close down the East Jerusalem *Al-Mithaq* newspaper and *Al-Ahram* magazine. This followed appeals for assistance from the publications.

An association statement said the association would ask the National Federation of Israel Journalists to intervene on the papers' behalf, at a meeting of the federation directorate tomorrow.

The Jerusalem district commissioner in the Interior Ministry last

week notified the two publications that he was considering closing them down on the grounds that they were "operated and directed" by the Popular Front for the Liberation of Palestine. *Al-Mithaq's* publisher, Mahmoud Khatib, has denied the charges.

The Association for Civil Rights in Israel called on the ministry yesterday to allow the papers to continue publication. In a statement issued in Jerusalem, the group said there were enough provisions in the law and censorship to prevent security violations. Closure "violates the freedom of expression of the entire Israeli press."

W. Bank students again hold anti-Jordan protests

By JOEL GREENBERG

Palestinian students in the West Bank demonstrated yesterday for the second consecutive day against Jordan's closure of Fatah offices in Amman and expulsion of Yasser Arafat's deputy, Khalil al-Wazir (Abu Jihad).

Student protests were held at Nablus's An-Najah University, and at Hebron's Islamic College.

Students burned pictures of King Hussein and waved Palestinian flags. The chairman of the student union at the Islamic College was reportedly arrested.

Pro-PLO newspapers in East Jerusalem have in the last few days published numerous condemnations of the Jordanian moves by community leaders throughout the territories.

LIKUD TO OPPOSE

(Continued from Page One)

Corfu added that Harish should not be "so wary of failure" but conceded that the current impasse between Harish and at least the Likud ministers underlined a sticky constitutional problem: The attorney-general, who is the cabinet's legal adviser, on the one hand as in a normal client-lawyer relationship — is supposed to carry out government instructions and defend the government before the courts, as the government instructs. On the other hand, nothing compels Harish to bow to such cabinet instructions and he can reject them and act contrary to their spirit.

Vice Premier Yitzhak Shamir, who is heading the Likud's opposition to an investigation which could well focus on his role in the Shin Bet affair, was yesterday described by his aides as in "a good mood" and in "fighting spirits."

"He will not act against his conscience," they said, referring to a police or judicial investigation, which he maintains would damage the GSS.

The aides added that Shamir would not allow a "free vote" on the issue by Likud ministers, some of whom (including Deputy Prime Minister David Levy) are reportedly amenable to the idea of a judicial inquiry, if only as a means of unsettling Shamir from the Likud leadership.

Sarah Honig adds from Tel Aviv: A new element may be changing the balance of forces in the cabinet on the issue. The Likud's ardent ally, Interior Minister Yitzhak Peretz (Shas), is seen as more amenable to supporting a judicial inquiry. He said yesterday that while he continued to oppose any inquiry into the GSS affair, "if the choice will be between a police investigation and a judicial inquiry, then the latter is the lesser of the two evils."

This statement was the best news Labour has had in a long time, a senior party minister told *The Jerusalem Post*. He said the Likud could no longer be certain of a sure majority against an inquiry commission.

CLOSED. — Rehov Dizengoff, between Rehov Frishman and Kikar Dizengoff, will be closed to vehicles from 11 a.m. to midnight tomorrow because of the official unveiling of the Ya'acov Agam sculpture.

Mormons a hit at Haifa Festival

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The Mormon Brigham Young University effortlessly converted 3,000 Israelis at midnight on Saturday with a high-spirited and high-kicking performance at the opening of the Sixth International Folklore Festival in the Sports Palace here.

The 25 dancers, young men and women, who were accompanied by a five-piece band, closed the three-hour programme. They had the usually staid Haifaites clapping and stomping their feet in time with their catching mountain rhythm.

The U.S. did well at the show. A 25-man brass and drum band from the Sixth Fleet opened the show with a selection of military airs and jazz. Troupes from nine foreign countries, as well as local choirs and bands, took part. A 10th contingent, a young orchestra from Germany, was only able to appear in the opening parade of the flags. They had announced their participation too late to be included in the already long opening programme, a festival spokesman told *The Jerusalem Post*.

But they joined also in the big music and dance parade the festival staged in the Rehov Herzl main-street yesterday afternoon, and will take part with all the other troupes in

the appearances scheduled for this week in Haifa, Jerusalem, Tel Aviv, Caesarea and Tiberias.

Prime Minister Peres, who appeared to be delighted by the happy sounds and colours, described the festival as "eye-pleasing and heart-lifting," and organizer Shmuel Bialik hit the nail on the head when he described the event as a "symphony of joy and brotherhood of peoples."

The vice president of the International Folklore Festivals Organization, Poland's Michel Kosinsky, who is also the country's Deputy Culture

Minister, expressed his hope for increased cultural relations with Israel. A troupe from Poland and one from Yugoslavia represent Eastern Europe in the festival.

A special round of applause was earned by a very fine Arab *debka* dance troupe from Baka al Gharbiya village in the Triangle, who were also singled out for mention by the prime minister. Peres mused that it was interesting to see the flags of the U.S., Poland and Yugoslavia hoisted together in Israel. Not to be outdone, the Sixth Fleet musicians waved red kerchiefs.

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Dr. ELI JUSTICE-DAYAN

passed away.

The funeral will take place today, July 14 at Kiryat Shaul at 2:30 p.m.

A bus will be available at 1:45 p.m. at the corner of Frishman and Reiness Streets in Tel Aviv

His wife: Bella Justice-Dayan
His daughter and family: Hava, Jacques and Dedy Mendelovitch

To Mr. Ya'acov Jeffrey

We share your grief on the death of your

Mother ז"ל

Members of Moshav Hadar

A year has passed since the death of our dear

ITTA SEIDMAN ז"ל

We shall visit her grave on Wednesday July 16, 1986, Tamuz 9, 5746, Kiryat Shaul cemetery, meeting at the main gate at 4:00 p.m.

מקום האירוע

UK drops Budd, Cowley as Tanzania joins boycott

Bid to save Commonwealth games from walkout by African states

EDINBURGH. — Faced with a boycott by five black African nations, Commonwealth Games officials said yesterday that South African-born athletes Zola Budd and Annette Cowley will not be allowed to compete in the Olympic-style quadrennial event.

The Commonwealth Games Federation, the governing body, decided the two athletes were ineligible under the Commonwealth constitution to compete for England in the 10-day event, which starts July 24 in Edinburgh, said federation spokesman Peter Heatley.

The decision followed the announcement by Tanzania yesterday that it was joining four other African nations in boycotting the 13th annual games because of Britain's refusal to support economic sanctions against South Africa's white-led government.

In Sydney, Australian Foreign Minister Bill Hayden warned Commonwealth partners that the group's future was threatened by Britain's refusal to impose economic sanctions against South Africa. Unless this stand is reversed, he said, "the Commonwealth would start to fall apart."

Nigeria, Ghana, Kenya and Uganda had earlier withdrawn from the competition, and there was concern that other African teams would join the boycott in a coordinated protest

against Britain. There are 15 African nations in the Commonwealth, the 49-nation association of Britain and its former colonies.

Both Nigeria and Zimbabwe had specifically protested over the inclusion of Budd, the 20-year-old barefoot runner, on England's team. Zimbabwe has not pulled out of the competition, but is among the countries thought to be considering a boycott.

The Commonwealth Games Federation announced its decision after a six-hour meeting at an Edinburgh hotel. Heatley said the federation decided that neither Budd, holder of the world 5,000-metre record, nor Cowley, a swimmer, met residency requirements for competing in the Commonwealth games.

Budd received her British passport in April, 1984, allowing her to compete for Britain in the Los Angeles Olympics. Cowley holds a British passport through her English mother and is a student at the university of Texas. Both women have been living in England.

The Federation made it clear that their ineligibility for the Commonwealth event does not affect their right to compete for England in other events.

"Now that this decision has been made, we see no obstacle which should prevent countries attend-

ing," said Heatley. "These are not Britain's games, these are the games of the British Commonwealth."

But in Dar-es-Salaam the Tanzanian Foreign Ministry, in announcing it was pulling the country's team out of the forthcoming games, cited the British government's "insensitivity" to developments in South Africa.

"It is all the more regrettable" that the UK administration has not only continued to oppose "concrete measures" against South Africa but has also tried to dissuade others, notably European Economic Community members, from taking such measures, the statement said.

The first four countries also gave as the main reason for their boycott the British government's refusal to impose economic sanctions on South Africa, and the inclusion in the English team of Budd and Cowley, has been cited as a secondary reason.

Two African teams, Botswana with 25 members and Malawi with 30, arrived in Edinburgh yesterday.

But Tanzania is the first of southern Africa's "front line" states, leading the fight to end apartheid, to join the boycott, and observers believe there is now little doubt that the other three front line members also belonging to the Commonwealth — Botswana, Zimbabwe and Zambia — will also join their ranks. (Reuter, AP)

Botha: Black students to reapply for schooling

JOHANNESBURG (AP). — South African President P.W. Botha issued a proclamation yesterday saying the 1.7 million black students scheduled to start the new school year today must apply to attend class and that officials can refuse them without giving reasons.

The proclamation, published in the *Government Gazette*, also said the decisions cannot be appealed through any process, apparently including the courts.

There had been speculation about whether black students would show up for class today, which has been declared a national "Day of Action," by the 500,000 member Congress of South African Trade Unions. The form of protest — involving demands for release of union leaders detained under the government's emergency decree — was left up to

individual unions.

An official of an alternative black education programme in Johannesburg said yesterday that through word of mouth in the black communities, large numbers of students above 10 years old would not be attending the first scheduled day of class today.

The government said the president's emergency regulation orders were issued to assist the Department of Education and Training in restoring order at the nation's 7,000 black schools.

The opening of black schools already has been delayed two weeks to allow the Education Department to finalize a security plan, which includes identification cards for all students and a reported plan to involve teachers in the security at the fenced schools.



More than 2,300 kilos of hashish concealed in hollowed wooden sleepers was seized over the weekend near Peshawar bordering Afghanistan. The sleepers filled with hashish packets were nailed together. Some had been sent to the Pakistani port of Karachi for onward shipment. (AFP telephoto)



Doron Shefa of Israel is blocked by Epi of Spain in last night's World Cup basketball game in Barcelona. (Reuter telephoto)

Israel whipped by Spain

By ITSHAK KESTENBOUM
BARCELONA. — Israel's national basketball team got their semi-final World Cup basketball campaign off on the wrong foot last night when they were badly beaten by the host team Spain in the opening game, 94-65.

The Spaniards jumped out to a 15-4 lead to open the game and never looked backed. Israel couldn't find a way to crack the tough Spanish defense and at the same time were out of touch with their own shooting.

For the first time in anyone's memory Mickey Berkowitz was held scoreless. Doron Jamchev, who had a hot hand in last week's final game in El Ferrol, also lost his touch and

managed but 12 points for a measly 30 per cent shooting average. The one bright spot for Israel was Lavon Mercer. He had two wonderful blocks, two steals, eight rebounds and he hit eight out of nine field goals for a total of 19 points.

Fernando Martin had 28 points and 13 rebounds to lead Spain. Israel must win one of their two remaining games, against Brazil tonight or Greece tomorrow, in order to advance to the quarter-finals.

There was a major upset in the Oviedo group when Argentina upset the United States 74-70.

It was the Argentinians' first victory and the Americans' first loss in the tournament.

Italy beat Canada 89-85.

Mansell takes the lead in style

BRANDS HATCH, England (AP). — Nigel Mansell took the lead in the world drivers' championship when he won the British Formula One Grand Prix here yesterday.

Driving a Williams Honda, the 31-year-old Englishman (hoping to become the first British champion since James Hunt in 1976) won a thrilling duel with team-mate Nelson Piquet of Brazil to post his fourth victory in five races and snatch the

lead from reigning world champion, Frenchman Alain Prost.

Prost, who is now four points behind Mansell in the championship, finished third.

The race was marred by a nine-car pile-up just after the start in which veteran French driver Jacques Laffite, who was equalling Graham Hill's record of 176 Grands Prix, suffered serious leg injuries. The race was halted on the first lap and only got under way after a second start 80 minutes later.

Edberg wins Swiss Open

GSTAAD (AP). — Top-seeded Stefan Edberg defeated unseeded Roland Stadler of Switzerland 7-5, 4-6, 6-1, 4-6, 6-2 in a 3-hour, 25-minute marathon final to win the \$231,000 Swiss Tennis Open here yesterday.

Catarina Lindqvist won the women's tournament when she beat fellow Swede Carin Jettli 6-2, 6-4.

Mixed fortunes in junior tennis

By JACK LEON
TEL AVIV. — Israel had mixed fortunes in international junior team tennis championships played in Europe over the weekend, with success in the Galea Cup boys' under-20 competition contrasting with crushing defeats in both boys' and girls' under-16 tournaments.

In the 28-nation Galea Cup — popularly known as the "junior Davis Cup" — Israel today opens its challenge in semi-final zonal competition in Barcelona with a testing tie against France.

The Israelis had qualified with a nail-biting 3-2 triumph over their Portuguese hosts in a zonal preliminary in Larnaca, following a 5-0 whitewash of Cyprus.

In both the boys' and girls' under-16 championships, Israel crashed out 5-0 to their respective hosts in zonal preliminaries in Sweden and Spain.

CYCLING: Angel-Jose Sarrapio of Spain won yesterday's 10th stage of the Tour de France, with Jorgen Pedersen of Denmark retaining the overall lead.

Clemens in form for All-Star game

NEW YORK (AP). — Roger Clemens broke his two-game losing streak with a five-bitter in Saturday's major league baseball action, and outpitched fellow All-Star Mike Witt to lead the Boston Red Sox to a 3-2 victory over the California Angels with the help of a two-run homer by Bill Buckner.

Clemens, expected to start tomorrow for the American League in the All-Star game at Houston, raised his record to 15-2. He walked two and struck out eight, increasing his league-leading total to 146.

In other American League games, it was Oakland 5, Toronto 3; Kansas City 7, Detroit 4; Texas 11, Cleveland 6; Chicago 6, Baltimore 3; New York 8, Minnesota 5; Seattle 15, Milwaukee 9.

In the National League, it was New York 10, Atlanta 1; Houston 4, Philadelphia 3; San Francisco 3, Pittsburgh 1; Cleveland 3, New York 8; Chicago 7, Los Angeles 4; St. Louis 4, San Diego 2.

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Spain frees Shi'ites for Beirut hostages

MADRID (AP). — The Spanish government has pardoned two Shi'ite Moslems whose freedom was demanded in exchange for the release of three Spanish hostages in Lebanon, the Spanish news agency EFE said Saturday night.

The two Lebanese, Mohammed Rahal, 22, and Mustafa Khalil, 24, were sentenced to 27 years in prison June, 1985 for the attempted slaying of Libyan Embassy employees in Madrid in October, 1984.

Anonymous callers later demanded their freedom in exchange for

the release of three Spanish Embassy employees kidnapped in Beirut on January 17, the day Spain established formal diplomatic ties with Israel.

The three hostages were released in February after Interior Under-Secretary Rafael Vera and consular officer Rafael Pastor went to Beirut to negotiate with the Shi'ite kidnappers.

Vera said after the trip that the Spanish government was looking into letting Rahal and Khalil serve

out their terms in a Lebanese prison. Such an arrangement "would not happen right away and would in no way constitute a concession."

Pastor said the government was also looking into the possibility of pardoning or expelling the two Lebanese prisoners.

EFE said that the Spanish national court, Audiencia Nacional, issued orders Saturday to the director of the Alcala-Meco prison near Madrid to free Rahal and Khalil. It did not say precisely when they will be released.

10 nuns and U.S. missionary abducted in south Philippines

ZAMBOANGA, Philippines. — Armed men seized 10 Filipino Roman Catholic nuns from a hill-top convent and an American Protestant missionary from a dormitory in two separate kidnappings incidents in the Moslem city of Marawi, military and Church leaders said yesterday.

Brig. Gen. Pedro Balbanero, deputy chief of the southern command in charge of the area, said the nuns were abducted from their convent Friday night. The American was taken from his room about 3 kilometers from the convent Saturday night, Balbanero said.

No group immediately claimed responsibility for the kidnappings. But

Balbanero said he suspected the nuns' abductors were "Moslem terrorists" trying to embarrass President Corason Aquino's 18-week-old government.

A witness of the Friday night abduction said she saw armed men lead the nuns down the hill and take them away on two motor boats, the Rev. Michael Fitzgerald said from his Manila office.

In Manila, six people were arrested yesterday as riot police prevented supporters of deposed Philippine president Ferdinand Marcos from staging a rally in a central Manila park, police and eyewitnesses said. (AP, AFP)

Iraqi warplanes hit three tankers

BAGHDAD (Reuter). — Iraq said its warplanes hit three large shipping targets in the Gulf in the last 24 hours, and Gulf sources reported that a fire aboard one of them, the *Al-Hamra*, had been extinguished.

A military spokesman here said three "large naval targets" — the usual term for a tanker or merchant ship — had been hit in air strikes at 8:30 p.m. Saturday, and 10 a.m. and 12:42 p.m. yesterday.

Gulf shipping and salvage sources said the 123,600-ton Cypriot tanker *Achilles* was hit by a missile early yesterday 80km. south of Iran's Kharg Island oil export terminal in the northern Gulf.

West's first monitoring depot set up at Soviet nuclear site

MOSCOW (AP). — U.S. scientists have installed the first Western monitoring station at a Soviet nuclear test site, putting about a dozen seismic devices in remote Kazakhstan, a member of the group said yesterday.

Thomas Cochran, a scientist with the Washington-based National Resources Defence Council, said in an interview that his group received strong Soviet support for the project which he hopes will show it is possible to set up stations for monitoring a nuclear test ban.

But he said the NRDC scientists have no assurance they would be allowed to monitor an actual nuclear test, should the Soviets resume their testing programme after Soviet leader Mikhail Gorbachev's unilateral moratorium expires on August 6.

"We will certainly be allowed to stay there after August 6," he said. "We'll have to see if we'll be allowed to record their tests or not. Either way, we'd know that a test had occurred."

The project, which calls for Soviet scientists to install similar seismic-monitoring stations near the U.S. testing site in Nevada, marks the first time Western scientists have been allowed near the Soviet site or permitted to set up a monitoring station on Soviet territory. It is being conducted under an agreement between the NRDC and the Soviet Academy of Sciences.

The Soviet test site is about 2,900km. southeast of Moscow near the Kazakhstani city of Semipalatinsk, in rugged grassland marked by small hills and gulleys.

U.S., Libyan forces hold rival games in disputed gulf

WASHINGTON. — U.S. and Libyan forces yesterday were holding rival maneuvers in the disputed Gulf of Sirte, the scene of previous U.S.-Libyan clashes, reports here said.

In Tripoli, Libya's official news agency Jana said yesterday that "all targets were hit" in a missile-firing exercise whose first phase began on Saturday.

The 14-word dispatch did not describe the targets or the type of missiles fired.

On Saturday Jana claimed there had been "unusual movements" by U.S. forces in the Mediterranean.

The *Washington Post* reported yesterday that the U.S. had been staging airborne maneuvers north of Libyan-claimed waters for the past few weeks.

Quoting Pentagon sources, the

paper said warplanes from the U.S. aircraft carrier *Forrestal* had flown to within 64km. of the "Line of Death," a no-go area drawn across the neck of the Gulf of Sirte by Libyan leader Muammar Gaddafi.

Libya had not been warned of the exercises, it said. Advance notice was "a courtesy," one unidentified Pentagon official told the paper: "When somebody shoots at you, you don't owe him that courtesy."

A Pentagon spokesman said, however, that the Sixth Fleet was conducting normal maneuvers in the Mediterranean and the Gulf of Sirte, and that he was not aware of any special exercises.

The gulf was the scene of U.S.-Libyan air confrontation prior to the U.S. air raids on Tripoli and Benghazi on April 15. (AP, AFP)

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HOME NEWS

Troubled teachers: The Etzion legacy

By LEA LEVAVI
When the Etzioni Commission was formed in 1979 to find a way to end a long teachers' strike, nobody predicted its recommendations would bring a budget crisis and labour disputes seven years later.

The mandate of the commission was to recommend ways to improve the status of teachers and the teaching profession. The teachers accepted the establishment of the commission with lofty talk of improved education and down-to-earth hopes of more money in their pay packets.

Salaries were discussed in the last chapter in the Etzioni report but they were the element which received the most attention. The commission said teachers' salaries should be raised by 67 per cent to bring them into parity with those of engineers.

It was also recommended that classes should be smaller, working conditions be improved, and early retirement options introduced, for one thing to make room for younger

teachers.

The clouds of crisis began gathering as soon as the report was published in 1980. The finance minister said the country couldn't afford to implement the recommendations, and resigned when the government accepted the report. (The education minister had threatened to resign if the report were not approved, and both teachers' unions were set to strike if the government decision had been negative.)

A strike was averted by a cabinet decision to accept the Etzioni report, but it soon became clear that the recommendations could not be implemented fully, for budgetary and other reasons. (The teachers, although insisting on implementation, were not particularly happy about some of the proposals, such as one requiring them to spend more time at school.)

Education Ministry director-general Eliezer Shmueli was appointed to head a committee to work out how the recommendations



Justice Moshe Etzioni (Rahamim Israeli)

could be implemented.

Soon, the teachers were charging that the government was deliberately dragging its feet.

The two teachers' unions expressed their dissatisfaction by sanctions—dismissing children early, starting school late, not giving marks—and sometimes strikes.

After the Shmueli committee had

watered down the Etzioni proposals, an even more diluted version became part of the teachers' labour contract. The teachers agreed not to turn to the Etzioni report in the future as a basis for their demands.

The recurring conflict was not just between the teachers and the government: the two rival unions were often sharply at odds.

For example, the final stage scheduled for September 1985 included provision for a 5.8 per cent across-the-board salary increase. When cuts in the education budget began to threaten teachers' jobs, Hisadut Teachers Union secretary-general Yitzhak Wellber was agreeable to a postponement of the pay increase for a year on condition that no teachers were fired.

The Secondary School Teachers' Association refused to go along with this and a long struggle—some of it in the form of sanctions against pupils—ensued. Finally, as a result of the economic recovery programme, both unions were forced to wait until

this past spring for the increase, and then had to settle for a little less than 5.8 per cent.

The other element which was supposed to have been implemented in September 1985 was a payment for 40,000 non-teaching hours. This was postponed until this September. But two months ago, in the wake of a government decision to cut the education budget again by \$24 million, the prime minister, and ministers of finance and education met with heads of the teachers' unions to try to persuade them to agree to a postponement of the pay for the 40,000 hours for yet another year.

The Secondary School Teachers' Association, usually the more militant of the two unions, took a flexible position this time and agreed to put off the pay for some of the hours.

The Histadrut Teachers' Union gave a categorical "no" to any postponement.

Representatives of both unions were to have a second meeting with the three ministers last night.



(Rahamim Israeli)

Whiz-kids in Warsaw for math olympics

By LIORA MORIEL
Jerusalem Post Reporter

REHOVOT. — A delegation of six youngsters, chosen from "whiz kids" from all over the country, is competing in Warsaw in the annual international youth mathematics olympics.

"We've been sending teams since 1979," Dr. Netta Maoz, Projects Coordinator of the Youth Activities Section at the Weizmann Institute here told *The Jerusalem Post*. "In the individual achievements category we always have someone placed first or second, and overall our team ends somewhere above the middle."

Some 25 countries are taking part in the two-week event, which is held alternately in an eastern bloc country and a Western one.

The man behind Israel's team is Professor Joseph Gillis, of the Weizmann Institute.

As projects coordinator at the Weizmann Institute, Maoz deals with a variety of programmes for young mathematicians and scientists.

For the third year running, a three-member delegation of gifted 17-year-old science enthusiasts is in the U.S. for the summer on a trip funded by the Rickover Foundation. Hyman Rickover, who died last week at the age of 86, was the "godfather" of the nuclear submarine (he did not invent it, but pushed vigorously for its production and use). When he retired from the U.S. Navy four years ago he rediscovered his Jewish roots and set up a foundation to foster excellence in talented young scientists from the U.S. (one from each state), China, Egypt and Israel. Unfortunately, Egypt has never sent a delegation.

The first delegation included a 16-year-old computer expert from Beersheba.

Later this week, a group of five Israeli youths will fly to Britain for a summer science camp organized by the University of London. Some 300 youngsters from all over the world participate in the two-week programme.

The Israelis, said Maoz, will spend the week before camp as guests of the Leeds Jewish community.

Meanwhile, the Weizmann Institute is holding its 18th annual Dr. Bessie F. Lawrence International Summer Science Institute on its campus. Seventy-six teenagers from 16 countries are participating in this year's activities, which include individual or small group research projects.

"These kids are amazing," said Nurit Gil, a house-mother at the summer science institute. "One of last year's participants worked with a heart-transplant team this year and one of this year's group has designed a robot which has aroused the interest of industrialists."

"Most of the American participants are Jewish, most of the others are not, but this is not important to the programme," said Maoz. "Your aim is to attract these young scientists to the institute, and in fact many return for summer courses and, later, for graduate degrees. We keep in touch with many participants over the years."

Maoz, who earned her doctorate in chemistry from the Technion before coming here, began working in the youth section 10 years ago.

About 1,200 Israeli youngsters attend science programmes at the institute every year and nearly 4,000 others visit for day-long activities.

Welfare red tape needs cutting

By BERNARD JOSEPHS

A major overhaul of the country's welfare services, to eliminate masses of red tape ensuring both those who need help and those who give it, is suggested by the chairman of the Knesset's Labour and Social Welfare Committee.

"People are sick and tired of running from one office to another in search of aid," said Labour MK Ora Namir.

Namir said it was time for social services to "face up to present day realities." In a situation of growing deprivation and unemployment they had to be streamlined.

Social workers and others in the field, she went on, did not have the answers to most of the problems thrown up by the economic squeeze. And, while the recent murder of a social worker in Migdal Ha'emek



Ora Namir (Uzi Keren)

The committee is to meet with social workers' leaders today to discuss how to deal with assaults.

"Violence is a very serious problem but it can't be solved by stationing a policeman outside every welfare office," said Namir. "We have to take steps to protect all public workers, but we must also cut the red tape that makes finding help such a difficult experience."

"Why, for instance, do we need three authorities to deal with welfare? Today social security, welfare and health officials are all involved, and often they provide duplicate services."

"I think it is time we put a stop to this and set up a unified service in which those in need can be helped through one office and one set of officials. This will reduce bureaucracy and save a lot of money."

Striking Arab councils to get \$1.1m. succour

By MENACHEM SHALEV and DAVID RUDGE

Arab local councils, which have been on strike for over two weeks, will start receiving the \$1.1 million promised to them "within days," according to Aryeh Hecht, head of the Interior Ministry's Local Government Administration Department. The sum remains of \$4m. pledged to the councils to help cover their debts, which now total over \$15m.

Council leaders are also demanding a huge increase in funds for development, to bring these in line

with those given to Jewish local authorities, and the establishment of planning committees in the Arab sector.

Ibrahim Nimmer Hussein, chairman of the National Committee of Arab Local Councils, told *The Jerusalem Post* that Arab representatives were satisfied with the tone of last Friday's negotiations with Interior Minister Yitzhak Peretz.

Peretz told the Arab leaders that his ministry was negotiating with the Finance Ministry to restructure the budgetary base of Arab councils.

Hussein said, however, that the strike would continue until at least tomorrow pending the outcome of a hearing on the budgetary issue before the Knesset Finance Committee.

The Interior Ministry's Hecht said the sum of \$1.1m. had been withheld because most Arab councils had not yet submitted reports on how to improve efficiency, which was a prerequisite for receiving the money.

He admitted, however, that some reports had been "held up" at the offices of Amram Calagly, the Interior Ministry's newly-appointed northern district commissioner.

Mayor Shlomo Lahat pays tribute to the late Archie Sherman

Remembering a generous benefactor

Money has a different meaning for different people. For the poverty-stricken, it means bread and a roof over their heads. For the industrialist, it is the possibility of expanding and developing. Those who seek power see it as the expression of strength, a means of winning respect.

But there are also a few who see money as a means of helping their fellow man, carrying out good deeds, advancing society, fighting illness and suffering and promoting education.

One of these exemplary few was Archie Sherman, whose passing has left us grieving.

This modest and wonderful London Jew was endowed with a stupendous capacity for action. He devoted many years to the business world and with his ability and penetrating foresight, he achieved great success.

He donated generously to the United Jewish Appeal and other Israeli interests, but it was only during the Six Day War that he discovered his true mission.

From then until the day he died, Sherman completely identified with Judaism and the people of Israel and even resolved in 1975 to settle here and be one of us. The last years of his life were spent mostly in Israel, and he returned to England only when



Archie Sherman (Uzi Keren)

called by business there. He even gave up his British passport so as to be an Israeli citizen.

Sherman was neither an orator nor a thinker. The spoken or written word was not for him a tool of expression; he preferred to express in deeds his social and cultural outlook.

One cannot keep count of all his donations in the educational, cultural and health fields throughout Israel, such as children's day-care centres, schools, community and sports centres, hospital facilities and innumerable projects.

Although his philanthropic activities encompassed the entire country, it was in Jerusalem and in Tel Aviv that Sherman carried out his crowning achievements.

After receiving Israeli citizenship, he made Tel Aviv his home. He loved the city, its people and its atmosphere. He enjoyed strolling daily towards Jaffa along the beautiful sea-shore promenade.

When our sages declared that "Virtue is its own reward," they probably had people like Sherman in mind. Most important to him was to contribute to raising the level of education in Israel. He understood how much depends on education, and he knew that therein lay Israel's future.

Because of his concern for Israel's future, Sherman ceaselessly pressed rich friends and colleagues to participate in an investment he considered of paramount importance — an investment in the future of the Jewish state.

One cannot fail to emphasize his decency and extraordinary reliability. Sherman's word could be relied upon more than any signed commitment of other people.

He was a great man, a great Jew and a great visionary with a big heart. The Jewish people will not forget him. His personality is tied into the enterprises that arose thanks to him. May his memory be blessed forever.

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מקטן האוכל

Crunch Time

Congress Has Its Hands Full And Its Eyes On the Clock

By JONATHAN FUERBRINGER

CONGRESS returns tomorrow from its two-week Independence Day recess, to distressing signals from the Senate majority leader, Bob Dole. The Kansas Republican is talking of keeping the legislators at work past Aug. 15, the scheduled date for the next recess.

When midterm elections approach, members generally prefer to be home campaigning rather working in the Capitol. And this year, the political stakes are especially high. The Democrats want to retake the Senate, and with 22 Republican seats up, they have a shot at it. As for the House, the Republican minority wants at the least to contain the midterm slide customarily suffered by the party that holds the Presidency. With only 45 working days left before the scheduled adjournment of the 99th Congress Oct. 3, decisions on the issues — already made difficult by continuing sharp differences on priorities among the House, the Senate and the White House — will increasingly be colored by election-year considerations.

On foreign policy, President Reagan, who just before the July 4 recess beat the opposition in the House on his third try, may finally win his \$100 million in military aid to the Nicaraguan rebels known as the contras. But confrontation is ahead on his opposition to economic sanctions against South Africa. On arms control, there is resistance to his decision to end voluntary compliance with the SALT II treaty. And his request for money for the space-based missile defense shield known as Star Wars faces deep cuts.

Up early and looming large is the budget. There, the Supreme Court may have made agreement on priorities even more difficult. In striking down, 7 to 2, the first-line mechanism for automatic spending cuts in the balanced-budget law known as Gramm-Rudman-Hollings, the Justices took the club many legislators had hoped would force the White House to accept new taxes and reductions in military spending. It was a particularly powerful club, the lawmakers believed, because if the red ink rose \$10 billion or more above an annually specified amount — it is \$144 billion for 1987 — the Controller General would order the President to make across-the-board cuts, half of them in military spending.

The Court ruled last week that such an exercise of executive authority by the Comptroller would violate the doctrine of separation of powers because he is subject to removal by Congress. But the other provisions of the law, including the deficit limits, remain in effect. How to reach them — or to finesse them — is the question.

A fallback mechanism, written into the law in anticipation of a successful Constitutional challenge, provides for the implementation of automatic cuts, if needed, through the regular legislative process, with both houses passing and the President signing the bill.

An alternative, proposed by the original sponsors of the law, could prove more appealing to senators and representatives running for re-election and wondering whether it is worse to cut popular programs or show themselves unable to reduce the deficit. The alternative is to write a law making the Comptroller General independent and removable by the President. But the proposal is expected to meet with stiff resistance because it would deprive Congress of an investigative arm, the General Accounting Office. Its sponsors hope to attach it to a bill that must be approved in August, raising the national debt ceiling. That maneuver last year helped win the budget-balancing law.



The Pre-Election Agenda Is Loaded with Loose Ends

THE JUDICIARY. The Senate will begin this month its consideration of President Reagan's nominations of Associate Justice William H. Rehnquist to be Chief Justice and of Federal Judge Antonin Scalia as an Associate Justice. It could take up again this week the controversial nomination to a Federal appeals court of Donald A. Manion, an Indiana lawyer whose qualifications have been questioned. Mr. Manion won a narrow vote last month, but Senate Democrats forced a reconsideration. Last week, the Senate majority leader, Bob Dole, was weighing an adroit tactic of his own that would delay action until the end of the session, when adjournment would allow the original vote to stand, assuring confirmation.

Sometime before adjournment, the Senate must hold the impeachment trial of a Federal district court judge, Harry E. Claiborne, who is serving a two-year term for tax evasion.

TRADE. On Aug. 6, the House will try to override

the President's January veto of a bill setting strict limits on textile imports. Meanwhile, the Senate Finance Committee is working on an alternative to a tough omnibus bill that the House passed May 22 by a margin wide enough to override a veto. The Administration, which will need a trade bill next year to continue negotiating international agreements, says a bill passed in an election year would be protectionist.

CAMPAIGN SPENDING. David L. Boren, Democrat of Oklahoma, is working to see that the Senate takes up a bill saying that no House candidate could receive more than \$125,000 from political action committees and no Senate candidate more than \$200,000 to \$750,000. PAC contributions are now limited to \$5,000 per candidate per election, but there is no limit on the total amount a candidate can receive. Political action committees filled more than 25 percent of Congressmen's war chests last year.

IMMIGRATION. The House may take its third

stab in five years at a comprehensive immigration bill with a measure that, like a Senate-passed bill, balances citizenship for illegal aliens who have been in this country for some time with penalties on employers who hire illegal aliens in the future. Sharp disputes can be expected over permitting Western farmers to use "guest workers" at harvest time.

TELEVISION. The Senate, which for the first time last month allowed its proceedings to be televised, must vote by the end of this month on whether to make the "experiment" permanent. No one expects the plug to be pulled.

THE ENVIRONMENT. House and Senate negotiators have been gnawing for months over ways to pay for the "superfund" toxic waste cleanup. The distraction has kept them from taking up a renewal of the Clean Water Act. The Environmental Protection Agency is starting to close superfund projects, and cities are running out of sewage treatment money.

posals is expected to meet with stiff resistance because it would deprive Congress of an investigative arm, the General Accounting Office. Its sponsors hope to attach it to a bill that must be approved in August, raising the national debt ceiling. That maneuver last year helped win the budget-balancing law.

Meanwhile, as the House and Senate have been in recess, staff members of the budget committees have been at work. Their accounting and technical revisions of projected spending and revenues could take the pressure off, at least for a while. The figures show that if both chambers approve all the savings contemplated in the budget resolution that passed in June, a second round of reductions to avoid the automatic cutting mechanism might not be needed until after the November elections. That prospect is sure to ease the way for ratification of \$11.7 billion in cuts invalidated by last week's Supreme Court ruling. The cuts had been ordered by the Comptroller General in March, as the budget-balancing law required. Also high on the legislative agenda is tax revision.

This week negotiators from the House and the Senate begin to work out their differences. Their job became less difficult than previously supposed last week as the White House endorsed the outlines of an understanding proposed by Representative Dan Rostenkowski, chairman of the House Ways and Means Committee, and accepted by Senator Bob Packwood, the Oregon Republican who is chairman of the Senate Finance Committee.

First, the White House chief of staff, Donald T. Regan, indicated that the President would sacrifice corporate tax breaks he had insisted upon to keep the top rate for individuals no higher than the level specified in the Senate bill. Then the President, in a stump-style speech in Dothan, Ala., gave the direct signal. "Somebody's going to have to do a lot of explaining," he said, if the individual rate is over 27 percent and the highest corporate rate over 33 percent.

Like the Senator and the Representative, the President billed the tax measure as a plan that would benefit middle America. Like much of middle America, as the

final details of tax overhaul are hammered out and the battles over military spending are fought, the senators, the representatives and the President will have their eyes on the economy. Its condition could be as crucial as any other factor in the November elections.

Continued economic weakness combined with jitters over the Supreme Court's ruling early last week to produce a one-day, 81.87-point drop in the Dow Jones industrial average. And, as expected, citing a "relatively slow economy," the Federal Reserve Board cut its benchmark lending rate from 8 1/4 to 6 percent. The reduction, the third this year, brought the discount rate to its lowest level since early 1978.

The move pleased the White House — and Mr. Dole, who has often said a poor economic performance this fall could cost him the Senate. "It's the first step in stabilizing, and hopefully stimulating, today's sluggish economy," he said. The financial markets were muted. The Dow dropped again, bringing its loss for the week to 79.44.

Major News

In Summary

Thatcher Rejects As 'Repugnant' Curbs on Pretoria

Politics continued to produce violence in South Africa last week, and while the authorities moved to calm the unrest, Prime Minister Margaret Thatcher of Britain emphatically reiterated that she opposed economic sanctions as a way of forcing South Africa to abandon apartheid.

More than three dozen blacks were killed in factional fighting around the country, some of it related to strikes at diamond and gold mines, the authorities reported. In addition, security forces reported that they had shot dead 10 black guerrillas.

In the month since a state of emergency was declared, at least 130 people, most of them black, have been killed. And at least 4,500 people have been detained for their support for anti-Government organizations.

Last week, thousands of striking miners were protesting the arrest of labor leaders, and in an apparently conciliatory move, the Government changed its policy and said it would exempt unions from the emergency ban on indoor meetings. It also lifted longstanding restrictions it had placed on Winnie Mandela, the activist wife of Nelson Mandela, the jailed nationalist leader.

Other measures imposed when the

emergency was declared June 12 include restrictions that prohibit reporters from referring without official authorization to some activities by security forces and from reporting statements deemed subversive.

Mrs. Thatcher said it would be "immoral" and "utterly repugnant" for well-off Western nations to impose sanctions on South Africa that would throw poor Africans out of work. She said opinion surveys showing that most blacks would favor such sanctions could not be trusted, suggesting that some black Africans opposing sanctions might be intimidated by violent anti-apartheid activists. She said also that black Africans who called for sanctions, like

Bishop Desmond M. Tutu, had good jobs that enabled them to take care of their children. She also

Cocaine Draws New Attention

Cocaine was news last week: Government reports attested to its popularity, politicians went to upper Manhattan to buy it and a sharp decline in the use of other drugs, many officials have found cause for alarm in the spread of crack, the potent and comparatively cheap form of cocaine that has hit the streets in recent months.

To demonstrate its availability, Senator Alfonse M. D'Amato and United States Attorney Rudolph W. Giuliani dressed down, drove to West 160th Street and bought a few vials from three dealers on a stoop. The next day District Attorney Robert M. Morgenthau of Manhattan accused Federal agencies of making a "minimal effort" to combat cocaine in New York — to which Mr. Giuliani replied, "He leaves the impression that the drug problem is not his to deal with, too."

The N.F.L.'s antidrug plan, meanwhile, stalled quickly when the players union objected that Mr. Rozelle's proposal for unannounced urine tests during the season was an impermissible change in the current collective bargaining agreement.

The league agreed to wait for arbitration, but a decision upholding Mr. Rozelle could allow tests by mid-September. The league already has the right to require preseason testing.

And while a study released by the institute last week reported virtually no increase in cocaine use on college campuses since 1980 and a sharp decline in the use of other drugs, many officials have found cause for alarm in the spread of crack, the potent and comparatively cheap form of cocaine that has hit the streets in recent months.

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A Note of Hope

Drugs are losing their appeal among high school and college students, according to a study made public last week, but the incidence of cocaine use has barely budged over the last five years.

The study found that 17 percent of college students surveyed in 1985 had used cocaine at least once during the previous year, and 30 percent will have used it by the end of their fourth year in college.



Bernhard H. Goetz

The Institute for Social Research at the University of Michigan, which conducted the study for the National Institute on Drug Abuse, also found that 17 percent of students had tried cocaine in 1980, the first year of its survey.

Since then, however, use of other drugs has dropped appreciably. Marijuana, the most popular, was used at least once by 42 percent of college students in 1985, as against 51 percent in 1980, the researchers said. During that period the figure for amphetamines declined from 22 percent to 12 percent, according to the study, which said the use of tranquilizers, LSD, methaqualone, barbiturates and opiates — all well under 10 percent to begin with — dropped by more than half.

The researchers said their student

subjects "are typical of their age group as a whole," at least where cocaine is concerned. They also found that the incidence of cocaine use, which increases with age, does not fall off after college.

Charges Against Goetz Reinstated

For nearly 19 months after Bernhard Goetz shot four youths he thought intended to rob him on a Manhattan subway train, the criminal justice system wrestled not with the question of his guilt or innocence, but with the question of whether he should stand trial at all.

Last week that phase of the widely publicized case ended when New York's highest court decided unanimously to reinstate assault and attempted murder charges against Mr. Goetz. The trial, which could come as soon as September — or not at all, if a plea bargain is made — would be expected to turn on whether Mr. Goetz responded reasonably to a perceived threat.

Chief Judge Sol Wachtler of the State Court of Appeals wrote that exonerating Mr. Goetz, as a lower court had, "would allow citizens to set their own standards for the permissible use of force" and would also allow "a legally competent defendant suffering from delusions... to kill or perform acts of violence with impunity." Mr. Goetz, a 38-year-old electronics specialist, shot the four youths on Dec. 22, 1984, after they allegedly surrounded him in a subway car and one of them asked for \$5.

Three of the youths recovered from their wounds; the fourth, 20-year-old Darryl Cabey, suffered severe brain damage and is paralyzed from the waist down.

A Short-Lived Coup Raises Questions In the Philippines

3

The World

Italy Sentences 11 in Hijacking Of Achille Lauro

An Italian jury could have decided on a life sentence for Magid al-Molqi, the Palestinian who, in a signed confession he later disavowed, had admitted murdering Leon Klinghoffer, a 69-year-old American tourist, during the Achille Lauro cruise ship hijacking in October.

Instead the jury decided last week on a 30-year term for the Palestinian and shorter sentences for two of his accomplices. The public prosecutor's office said it would appeal some

of the jury's decisions because they were too lenient.

The jury's actions involved 15 defendants, only 5 of whom were in custody. Life sentences were ordered for three of the fugitives, including Mohammed Abbas, who was accused of directing the hijacking. Five of the defendants were convicted of lesser crimes and four were acquitted.

Mr. Abbas had been captured after the ship's release, but the Italian Government freed him, saying it lacked evidence against him. Seven of the defendants received sentences ranging from six months to 24 years.

Their attorneys portrayed the Palestinians as "soldiers fighting for their ideals," and Judge Lino Monte-

verdi said, "They have grown up in the tragic conditions that the Palestinian people live through."

The judge argued, however, that Mr. Abbas and his deputies were trying "to weaken the leadership of Yasser Arafat," the P.L.O. chairman, and thus were "not acting for patriotic motives."

U.S. Halts Aid For Zimbabwe

The Reagan Administration decided last week to reduce aid to Zimbabwe after a high Zimbabwean official interrupted a Fourth of July celebration at the United States Embassy in Harare, the capital, to deliver a 25-minute anti-American tirade.

The official, David Kariamazira, Minister of Youth, Sport and Culture, attacked Washington for rejecting sanctions against South Africa while imposing them on Nicaragua, Poland and Libya, and for bombing civilian targets in Libya.

Former President Jimmy Carter, a guest at the party, walked out, later calling the speech "an insult to my country and to me personally." Mr. Kariamazira's critical speech will cost Zimbabwe the remaining \$13.5 million in economic aid for this

fiscal year, and Administration officials may cancel or reduce the \$21 million requested for next year.

C.I.A. Regaining Role With Contras

When Congress refused to extend military aid to the Nicaraguan rebels in 1984, it underlined the point by ordering the Central Intelligence Agency to stay out of the remaining assistance operations, which were described as humanitarian.

But the House of Representatives was in a different mood last month as it narrowly approved \$100 million in new, mainly military, aid for the insurgents, or contras: the provision specifically banning C.I.A. involvement was not reactivated. And last week, Reagan Administration officials said the intelligence agency would be resuming day-to-day responsibility for managing the insurgency.

The Republican-controlled Senate is expected to add its approval of the aid this summer.

Some State Department officials said they would rather have given a larger role in managing the insurgency to the Defense Department, but the Pentagon preferred to keep its distance, while William J. Casey, the C.I.A. Director, actively sought the responsibility.

Under the terms of the House bill, the contras are to be supplied with antiaircraft weapons as a priority. Diplomats in Managua said last week that perhaps 15 new Soviet-made helicopters had been unloaded in Nicaragua since early May.

Verbatim: 'Never Again'

'The "never again" that Austrians swore as they emerged from the rubble of the Second World War was valid then and is valid also today, not only because of the horror of the Holocaust but also because of that terrible mental attitude that gave rise to it: anti-Semitism. It must be our daily renewed resolve that every one of our citizens, whatever his race, belief or conviction, should be considered and be treated as a brother or sister.'

Kurt Waldheim
President of Austria,
addressing Parliament after his inauguration.

Thatcher of Britain, where Mr. Barlow was born.

"We are tough and unapologetic about what we are doing," according to a former Malaysian official who was in office three years ago when trafficking in more than 15 grams of heroin was made a mandatory capital offense. The harsh penalties were adopted partly because of growing addiction problems at home and partly because of pressure from the United States to cut the flow of heroin and opium from Southeast Asia's Golden Triangle.

Jordan Expels Arafat Again

For Yasser Arafat, expulsion from Jordan is nothing new. In 1970 and 1971, when Mr. Arafat's Palestine Liberation Organization seemed to be getting strong enough to threaten King Hussein, the army killed thousands of P.L.O. guerrillas and chased the rest out of the kingdom.

Gradually, though, the King allowed Mr. Arafat, the leader of Al Fatah, the P.L.O. mainstream group, to re-open offices in Amman, mostly for prestige and propaganda, not to stage attacks on Israel.

But early this year, after the two leaders failed to achieve a common policy for negotiating a peaceful settlement in the Middle East involving Israel and the United States, the King blamed Mr. Arafat.

Since then, Jordan has been trying to gain support among Palestinians

who live on the Israeli-occupied West Bank, which Israel took from Jordan in the 1967 war. The King has long wanted to replace Mr. Arafat and the P.L.O. as the chief representative of the Palestinians, in the West and in the Arab world. But many of the West Bank Palestinians seem loyal to Mr. Arafat, who is a symbol of their hope for an autonomous homeland.

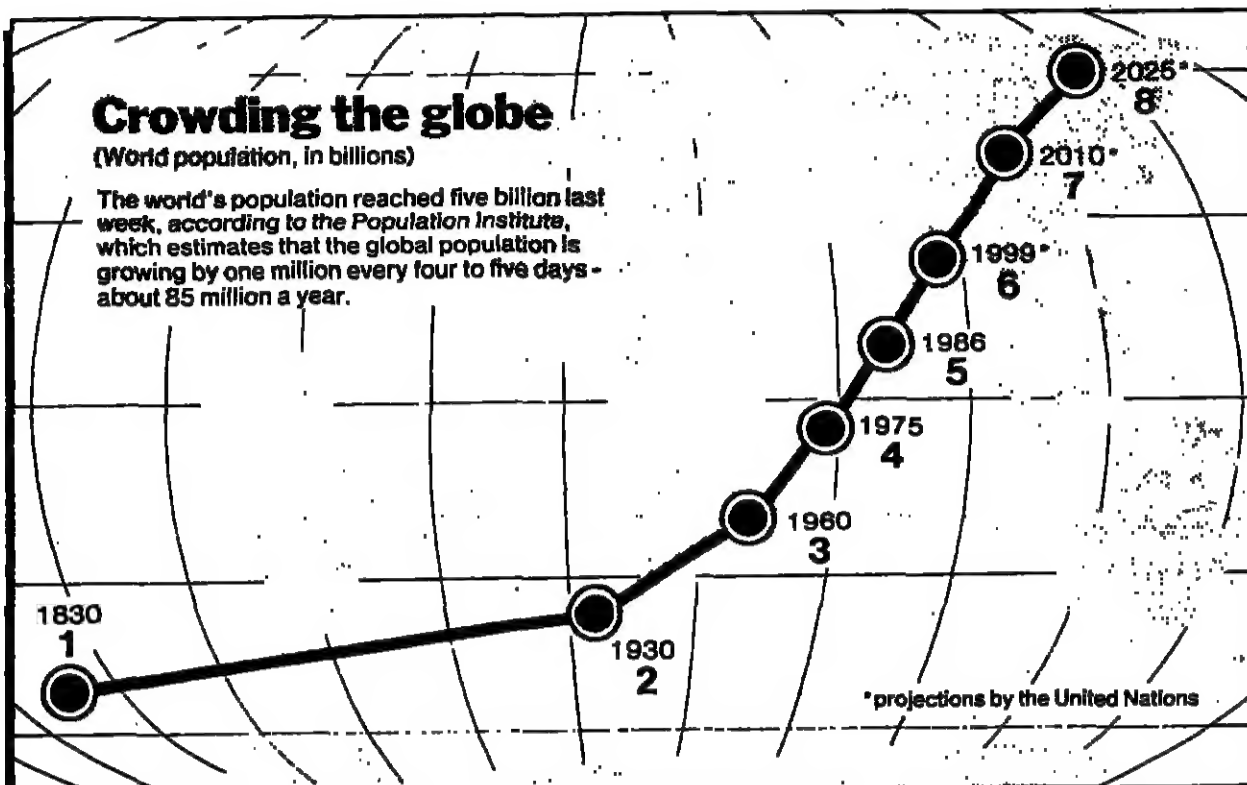
Last week, in an effort to weaken Mr. Arafat, the King ordered the closing of all 25 of Fatah's Jordanian offices. How the seriously the move would hurt Mr. Arafat was not immediately clear, but it did nothing to enhance Arab solidarity in general or Arab support of the Palestinians in particular.

Israelis, Guerrillas Clash

Two Israeli soldiers and four Palestinian guerrillas were killed Thursday and nine Israelis were wounded in a battle on the Lebanese coast just north of the Israeli border. According to the Israeli military, the guerrillas were intercepted in a dinghy, apparently intending to land in Israel.

Within a few hours, Israeli aircraft retaliated for the attempted raid with attacks on what were described as Lebanese bases used by Al Fatah and other Palestinian groups. At least 10 people were reported to have been killed or wounded.

James F. Clarity,
Richard Levine
and Milt Freudenheim



Malaysia Hangs Two Australians

Like other countries in the region, Malaysia has declared war on "dadah," as mind-altering drugs are called, executing 38 people for narcotics offenses since 1975.

Two more were hanged last week, but their case provoked more than the usual interest. Australians Kevin Barlow, a 28-year-old welder from Perth, and Brian Chambers, a 29-year-old building contractor from Sydney, became the first non-Asians put to death under the crackdown.

The two, who were convicted of trying to smuggle nearly 180 grams of heroin out of the country in 1983, were executed despite pleas for mercy from Prime Ministers Bob Hawke of Australia and Margaret

Soothing Reagan's Feelings, Carrying Messages to Gorbachev

Mitterrand's Travels Are Well Received Back Home

By JUDITH MILLER

PARIS
IN the last 10 days, President François Mitterrand has shuttled by Concorde across the world stage, from a working lunch with President Reagan in New York to 15 hours of meetings with Mikhail S. Gorbachev in Moscow. Mr. Mitterrand said he had made "modest progress" in his talks with the Soviet leader and had had a "frank and cordial" exchange with Mr. Reagan.

Both trips received saturation coverage in France, where analysts repeatedly emphasized that the performances on the road were staged primarily for the benefit of Mr. Mitterrand's center stage. Paris. The visits were primarily of political rather than policy significance.

Since defeating the Socialists in parliamentary elections in March, the conservative Prime Minister, Jacques Chirac, has become the dominant architect of foreign and domestic policy. But his travels gave Mr. Mitterrand an opportunity to upstage Mr. Chirac, whom he may face in a presidential election in 1988 or before. The trips enabled the President to act as senior statesman and symbol of France while Mr. Chirac was bogged down at home with unpopular, day-to-day problems.

Aides said Mr. Mitterrand believes his visit to help celebrate the centennial of the Statue of Liberty, a gift from France, had soothed tensions stemming from his country's refusal in April to permit American planes to fly over on their way to bomb Libya. Washington had agreed to put aside the Libyan dispute, but resentment lingered in American public opinion. French and American officials gave Mr. Mitterrand high marks for his decision to wish Americans and their statue "Happy Birthday" in English, a language he does not speak well and one that French officials usually shun on official occasions. "A lot is gained from a good public relations ex-

ercise," said Representative Stephen J. Solarz, Democrat of New York, a critic of French behavior in the raid.

On his travels, Mr. Mitterrand assumed the diplomatic stance dear to his independent-minded constituents— allied with the West but "equidistant" between the superpowers. He did not, he told friends at a New York luncheon, want to be a messenger between Mr. Reagan and Mr. Gorbachev, a "petit télégraphiste," as his predecessor was once derisively called. He sought rather to encourage a summit meeting and serious arms-control talks, while stressing that French nuclear forces, scheduled to be increased fourfold in the next decade, could not initially be included in the discussion.

Mr. Mitterrand argued in New York that he was well positioned to promote better Soviet-American relations. He had stayed away from Moscow for his first three years in office to show French disapproval of Soviet intervention in Afghanistan. And unlike most European leaders, he had championed the deployment of United States Pershing medium-range missiles in Europe.

He has never shied away from pressing the Russians on human rights issues, he added. "The issue is not whether, but how to do it most effectively," Mr. Mitterrand said. French officials are urging the Russians to restore civil rights to Andrei D. Sakharov and 400 other dissidents. But while Mr. Mitterrand assuaged French public concern by raising the rights issue in a speech at a Kremlin dinner, he did not anger his hosts, as he had during his 1984 visit, by publicly mentioning Mr. Sakharov. The Russians, for their part, agreed to try to settle 21 cases involving about 60 French-Soviet citizens, most of them members of separated families.

Mr. Mitterrand returned to Paris more concerned than before that President Reagan's "Star Wars" space defense initiative may prove a stumbling block to a summit and arms-control progress, his aides said. He thought it more likely that the 35-nation Stockholm con-



President Reagan and President François Mitterrand of France and their wives, Nancy and Danielle, attending a ceremony on Governors Island on the Fourth of July.

ference on European security may soon reach other agreements to reduce East-West tensions.

While Mr. Mitterrand's trips were boosting his approval rating in French polls to a record 61 percent, Mr. Chirac was occupied with a controversy over the killing of a young Frenchman in Paris by a member of the national riot police. Although the policeman was charged with involuntary manslaughter, leftists contended that Mr. Chirac's law-and-order program had sent "the wrong signal" to the police. Mr. Chirac regained his political stride somewhat last week when he announced that New Zealand had agreed to release two French secret agents imprisoned for their role in the sinking of the

Greenpeace antinuclear ship last July; they are to spend three years on a remote Pacific island. But in midweek, a 20-pound bomb exploded in an annex of the Paris police headquarters, killing a senior inspector and wounding 22 others.

For some French commentators, the explosion demonstrated the need for the type of crime crackdown Mr. Chirac has been promoting. But it also contradicted his argument that the bombings and terror that had plagued France under the Socialists would be ended with the right in power.

For Mr. Mitterrand, returning from his travels, that was something for Mr. Chirac to worry about.

U.S. and Soviet Experts Agree to Meet, Perhaps This Summer

Untying the Knot of Nuclear Test Verification

By MICHAEL R. GORDON

WASHINGTON
THE United States and the Soviet Union have been engaged for five years in two monologues on the verification of underground testing of nuclear weapons.

The United States has proposed discussions on ways to improve the verification of compliance with two treaties that limit the size of underground nuclear explosions, saying that it will not ratify the treaties, which it signed in the 1970's, unless Moscow agrees to such improvements. The United States has also opposed renewing negotiations on a comprehensive ban on testing.

The Soviet Union has taken a contrary stance: it has refused to discuss these verification issues until the United States ratifies the treaties. And Moscow has pushed for a cessation of testing and stressed its willingness to allow on-site inspection of a ban on tests. The debate has gone round and round, with neither side agreeing how to discuss the other side's concerns about veri-

fication. But that situation has now changed.

According to a recent understanding worked out by the two sides, American and Soviet Government experts are to meet for a general discussion of verification issues in which each side will be free to raise its concerns. No date or place for the session has yet been established, but it could occur this summer.

None of this necessarily means that the basic objectives of the two sides have changed. But some Administration officials hope that the meeting of experts would lay the basis for subsequent negotiations in which the Soviet Union would agree to some additional verification measures pertaining to the 1970's treaties on testing and the United States would, then, move to ratify the agreements. The two treaties in question are the Threshold Test Ban Treaty of 1974, which limits underground tests of nuclear weapons to 150 kilotons, and the 1976 treaty, which extends this limit to peaceful nuclear explosions.

The United States has monitored Soviet explosions covered by those treaties with devices, stationed outside Soviet territory, that pick up seismic data. Experts note that the geology of the United States and Soviet test sites

differs substantially, and this has complicated seismic measurements of Soviet tests. As a result, the Reagan Administration has argued that it needs direct measurements of some Soviet tests to establish more reliably the accuracy of the data.

According to the Administration's plan, the measurements would be taken by using a cable inserted into the ground where the explosion takes place. The detonation would emit a shock wave that would crush the cable. Data showing how quickly the cable was destroyed would enable experts to estimate the size of the shock wave and, by extrapolation, the size of the explosion.

In the view of some officials, a compromise permitting additional verification measures would be important for three reasons. First, it would have a positive political effect on United States-Soviet relations. The two treaties were negotiated in the heyday of détente, and their ratification would be a demonstration that the Administration values some arms control agreements, even though it has taken a hard line on arms control, having repudiated the second strategic arms treaty of 1979 and raised questions about its commitment to the anti-ballistic mis-

sile treaty of 1972. Second, a compromise on verification could be taken as a sign that the Soviet Union is prepared to consider American concerns that Moscow has violated arms control agreements.

The Administration has charged that the Soviet Union may have violated the limit of the Threshold Test Ban Treaty. Doubt has been cast on that allegation by the Central Intelligence Agency's decision to change its method of assessing the yields of such tests. The new method lowers estimates of the size of the tests, suggesting that the old figures were too high and that the degree of Russian cheating might have been exaggerated in Washington.

But a Soviet decision to allow additional verification measures could put the issue completely to rest. A third important spinoff from such a compromise is that it could stand as a precedent for on-site verification measures for other arms control agreements. Whether such a deal can be worked out is unclear, and it will require some give on both sides.

The Soviet Union would have to resist its traditional penchant for secrecy. The Reagan Administration, for its part, would have to resist the temptation to make politically unrealistic demands of the Russians on the issue of verification. Further, the Administration might have to make some sort of other arms control concession in return for improved verification procedures.

Failed Coup Underlines Philippine Government's Vulnerability

Aquino Has the Armed Forces on Her Side, at Least for Now



President Corazon C. Aquino (above) meeting in Manila last week with military commanders, including Defense Minister Juan Ponce Enrile (on her right) and Gen. Fidel V. Ramos (on her left); at far left, soldiers arriving at a rally in support of former President Ferdinand E. Marcos, and, below, Arturo M. Tolentino proclaiming himself acting president.

Associated Press, Agence France-Presse

By SETH MYDANS

THEY are triplets, whether they like it or not: Cory Aquino, Enrile and Ramos," said an army colonel relaxing in the Manila Hotel coffee shop after last week's short-lived rebellion.

"As long as these three stay together, the Government stands," he said. "If they break up, it falls." The somewhat farcical takeover of the hotel and the failed proclamation of a regime loyal to the deposed president, Ferdinand E. Marcos, has at first blush strengthened the Government of President Corazon C. Aquino.

She rode out the challenge without undue concern, demonstrating that she held the loyalty of the armed forces and in particular of Defense Minister Juan Ponce Enrile, who had himself been rumored in recent weeks to be plotting a coup.

But the events also showed her Government's potential vulnerability to a coup d'état, and emphasized the deep divisions between the President's inner circle and Mr. Enrile. The divisions were heard sharply at a Cabinet meeting held to decide the fate of the military officers, soldiers and civilian politicians who instigated and supported the brief rebellion.

According to several accounts, Mr. Enrile, who was almost alone in arguing for clemency, carried the day, but only after an impasse that one minister said made him think for a moment that the Government was about

to split apart. After the meeting, Mrs. Aquino said she would offer clemency if the former rebels took an oath of allegiance to her Government.

Members of the President's inner circle privately voiced their worries that Mr. Enrile had somehow been party to the incident, either as a potential participant if the uprising had gathered broad public support or in a subtler attempt to weaken the positions of both Mr. Marcos and Mrs. Aquino while strengthening his own. Officers in Mr. Enrile's own inner circle, for their part, were complaining that the Defense Minister was being unfairly maligned for doing his job and that Mrs. Aquino's advisers were out to force him from the Cabinet.

In light of this sense of division between Mrs. Aquino and Mr. Enrile, attention has turned to the third member of the Government trio, the Armed Forces Chief of Staff, Gen. Fidel V. Ramos, who joined Mr. Enrile in the revolt last February that helped drive Mr. Marcos from office and install Mrs. Aquino.

Foreign military men who deal with General Ramos say he is a dedicated professional whose first allegiance is to the armed forces and who is reluctant to take on a political role. He gives the impression of a man who has long since mastered his emotions with an effort of will.

He appears to have developed a personal relationship with Mrs. Aquino, treating her with an almost courtly deference, to which she responds with what seems to be gratified amusement. But it is impossible to tell how sincerely he backs her attempts to work out a ceasefire and negotiations with the Communist insurgents. Communism was the specter raised by the military officers who joined last week's Manila Hotel revolt,



and if the military were to turn against Mrs. Aquino they probably would claim that she had failed to be aggressive action against the Communists.

The Armed Forces of the Philippines, which includes about 200,000 troops, has shown in recent months that it is a powerful political force. However, despite its new dedication to reform, the army has only begun reforms that will improve its performance on the battlefield.

Mexico's Ruling Party Looks Over Its Shoulder

By WILLIAM STOCKTON

CUADAHUA, MEXICO — In philosophical moments, President Miguel de la Madrid and other officials often say that Mexico must move toward a genuinely pluralistic political system from one in which a single party has ruled without interruption since 1929. They do not mention relinquishing any of the massive power accumulated by the Institutional Revolutionary Party, known as PRI, but they sometimes hint that they might consider sharing some of it.

Under no circumstances, however, would they hand significant control to the conservative National Action Party, known as PAN, which has shown considerable strength, particularly in northern states bordering the United States.

Giving the conservatives a voice in Mexican affairs would run counter to all the beliefs on which the country has been built since the revolution that began in 1910. Among those tenets are land redistribution, workers' rights, nationalism, high barriers against foreign economic and political intervention and opposition to the Roman Catholic Church, whose ardent communicants made war on the fledgling revolutionary regime in the 1920's.

So it was no surprise when partial and unofficial results from elections last Sunday in the northern state of Chihuahua — a National Action stronghold — showed that the Government party apparently had won, retaining the governorship and reversing gains made by the conservatives in the city elections of 1983.

The National Action Party immediately accused the incumbents of large-scale voting fraud. Indeed, there were numerous reports of irregularities, for example by poll watchers who said they were denied admittance to their assigned places. Gauging the extent of the irregularities was difficult.

But there was no question that electoral procedures were conducive to tampering. Nevertheless, the Chihuahua campaign and election were as close to political pluralism as Mexico has ever come.

The Institutional Revolutionary

Party, feeling seriously threatened, mounted a grass-roots campaign with strong and attractive candidates. They campaigned intensively door-to-door, paying close attention to voters' concerns. Gone were the usual party hacks rewarded with candidacy to pay off old favors.

The Government party, PRI, put together a statewide organization of 36,000 people to get out the vote. It called in the political debts owed by workers whose unions are closely affiliated with the party, poor farmers who grow crops collectively on Government-owned land and small-business owners with Government loans.

Seeking Foreign Help

The opposition accused the incumbents of using coercion, which probably was often the case. For example, PRI officials often are accused of telling poor peasants farmers who work government land collectively that their land will be taken away if they don't vote for the ruling party. But the Institutional Revolutionary Party's strength has been based on its ability to form a shifting but essentially centrist coalition of competing interest groups, altering its appearance as necessary. So substantial was its change in Chihuahua that it came to resemble the opposition.

Looking ahead, the conservatives say they are planning civil disobedience, silent marches, the blocking of streets, hunger strikes and similar actions to press their charges of improprieties. Their national leaders talk of trying to drum up foreign pressure on Mexico to open its system wider to opposition parties.

But the National Action Party's most effective strategy in Chihuahua may be simply to continue working diligently to exploit the Institutional Revolutionary Party's vulnerability in this period of economic weakness — high inflation and unemployment, with little prospect for immediate improvement.

"What the PAN needs is to continue to act like a real political party," said a senior American diplomat. "They should forget bumper strikes and sit-ins. They should organize, raise money, work hard and offer the people a real alternative to the PRI."

Liberal Democrats Add to Parliamentary Majority



Prime Minister Yasuhiro Nakasone campaigning in Fujisawa City last month.

Nakasone's Victory May Increase His Longevity

By CLYDE HABERMAN

JAPAN'S Liberal Democrats have governed for 31 years, so long that half the population has no memory of a different political life. In that sense, the party's victory in parliamentary elections last week had a ring of inevitability. But this time the Liberal Democrats devastated the ineffectual opposition so thoroughly that post-election analysis acquired apocalyptic tones, with some commentators talking of an "epoch change" and a "momentous turning point." Prime Minister Yasuhiro Nakasone rode the same tide, calling the results nothing less than the "voice of heaven."

While his claim is difficult to confirm, it was as obvious as it was unexpected that Japanese voters had given his conservative party its most spectacular victory. In Parliament's lower house, where

Japanese governments are formed, the Liberal Democrats now hold 304 of the 512 seats, 54 more than before. They won with similar ease in the less-important upper chamber. Their need to continue a coalition with a tiny party of like-minded conservatives is gone. They can, if they wish, take more risks in solving critical problems such as the economic slump, perennial trade frictions and the commitment to mending export-or-die ways.

That seems to be the American dream for Japan. The Reagan Administration said it was, eminently pleased with Mr. Nakasone's victory. It is comfortable with his pro-military, pro-morality brand of patriotism, especially since he tempers nationalistic ardor with a readiness to yield to American pressure in trade conflicts.

But election landslides in Japan do not necessarily bring daring changes. The requirements of consensus politics prevent the ruling party from riding roughshod over the opposition. When Mr. Nakasone said in post-election reflections that he

would not "bully" the opposition, he did not just show magnanimity; he stated political reality.

The need to reconcile divisions among the governing party's five dominant factions is another obstacle to decisive action. Some of Mr. Nakasone's rivals are skittish about restructuring the economy to make it more import-oriented. Many are reluctant to accept participation in Mr. Reagan's space-based defense program. Then, too, there are events that the Prime Minister cannot control. An \$18 billion supplementary budget to stimulate the economy seems increasingly likely, but the impetus has come from other Liberal Democrats, not the austerity-conscious Mr. Nakasone. And as if to underline the fact that trade headaches will not go away, the Finance Ministry said last week that Japan's overall trade surplus for the first half of this year had doubled from 1985, to a record high of \$34.2 billion.

At bottom, it was not fully clear what Japanese voters were saying. Many commentators, including American officials, said the results had confirmed polls showing that the Japanese enjoy having a Prime Minister who is, relatively speaking, bold in style and international in outlook. Japan under Mr. Nakasone, they said, has set upon a course not easily reversed. But this is the same leader who, saying much the same things only two and a half years ago, led his party to electoral disaster, the loss of 36 seats. His change of fortune probably depended in good measure on unglamorous factors such as a solid voter turnout, which usually helps the Liberal Democrats, and a complex system of multi-seat constituencies that can turn small shifts in the popular vote into gulped gains or losses in the lower house.

More likely, many analysts said, Japanese voters simply affirmed that they are satisfied with their prosperity in the 1980's and that, if they are troubled by the recession and other problems, they hardly trust the Socialists, Communists or other opposition parties to deal with such matters.

Perhaps the greatest peculiarity of Japanese politics is that Mr. Nakasone may not survive in office. He gambled boldly on elections that many Liberal Democrats did not want. He proclaimed them a referendum on himself. He campaigned cross-country with the flair of an American candidate. He won big. And for all that, he may be shunted aside in October under party rules forbidding a third two-year term. Presumably, the elections make it easier for Mr. Nakasone to argue that there is no plausible reason to get rid of him. If he can retain the support of the largest party faction, headed nominally by the ailing former Prime Minister, Kakuei Tanaka, he might manage a rules change to permit a third term or an extension of his present term.

But success is far from certain, and the situation may not be clear for a few weeks. First, the Prime Minister will have to wear down his rivals, notably three so-called "new leaders" who are impatiently awaiting their turn in power. Their view is that the landslide was the party's victory, not Mr. Nakasone's. What could be better, they ask, than for him to quit while ahead, and to settle into the twin roles of elder statesman and backroom kingmaker?

The Nation

Final Report On Pornography Prompts Debate

As the Attorney General's Commission on Pornography finally unveiled its finished report last week, the debate over its conclusions seemed likely to continue for months.

Reversing a stand taken by a Government commission in 1970, the panel's 2,000-page report tied hardcore pornography to sex crimes and included 92 get-tough recommendations for Federal, state and local governments. Among other things, the 11-member commission, whose general findings had been outlined in drafts disclosed earlier, said concerned citizens could form "watch groups" to file complaints, apply pressure to local prosecutors, keep an eye on judges and in some cases boycott merchants who peddle pornographic material.

Two commission members who dissented from some of the report's findings, Ellen Levine, editor in chief of Woman's Day, and Judith V. Becker, a Columbia University psychologist, said the examples of pornography presented to their panel "were skewed to the very violent and extremely degrading."

Other critics found plenty they did not like. Barry Lynn, legislative counsel of the American Civil Liberties Union, said the report "will be used by groups, particularly on the religious right, to mobilize new citizen vigilante efforts."

The report of the commission, whose members were appointed by William French Smith, the predecessor as Attorney General of Edwin Meese 3d, was widely hailed by reli-

contract and submitting vouchers for first-class airline tickets he did, not use.

Questions About Back-Seat Belts

As the Federal Centers for Disease Control were reporting last week that more American automobile passengers and drivers are wearing seat belts, a study making the rounds at a Federal safety agency suggested that in some instances back-seat riders might be better off if without lap belts.

A staff study by the National Transportation Safety Board said that, because rear-seat passengers get so little room in many late-model cars, riders wearing only lap belts might in some situations be vulnerable to greater injury than if they were wearing no belts at all.

The study did not urge back-seat riders to stop wearing the belts, but it said auto makers should be required to install shoulder harnesses along with lap belts in back as well as front seats.

For now, only the more expensive European and Japanese cars are available in the United States with back-seat shoulder belts, but that should change soon.

General Motors announced last month that it would offer back-seat harness belts as standard equipment on some 1987 model cars and that all of its cars would be equipped with them by the 1989 model year. Chrysler said it had no immediate plans to offer back-seat harnesses, but Ford said late in the week it would begin introducing the harnesses for rear-seat passengers in the "next few years."

Report Points to Errors in Grenada

For many, the United States invasion of Grenada in 1983 became a symbol of renewed national strength and confidence. But some in Washington have argued that the mission demonstrated some disturbing American weaknesses.

The critics have some more ammunition in the form of newly released Pentagon documents from hearings of the House Appropriations defense subcommittee. Among other things, the assessment contended, the military had almost no intelligence information, largely because a Central Intelligence Agency operative in the Caribbean refused to fly to Grenada before the invasion to investigate the turmoil in the radical Government.

The report also contained more details of what it portrayed as a nearly crippling lack of communications among the military units that took part in the invasion. Again and again, the commanders at sea lost touch with the troops on the island, in part because the radios used by the Army and the Navy were incompatible.

Some members of Congress argued that a bill reorganizing the Joint Chiefs of Staff would help prevent further blunders. But at closed subcommittee hearings in February, Adm. James D. Watkins, then Chief of Naval Operations, said it was "a bum rap" to use anecdotes about Grenada "as the basis for generating a massive change in the Joint Chiefs of Staff organization."

F.D.A. Restricts Sulfites in Salads

The Food and Drug Administration's announcement last week that it would restrict the use of sulfites in food had been expected for some time. After all, the agency acknowledged last year that the preservatives had been linked to 13 deaths and many severe illnesses, mainly among asthmatics.

But some consumer groups were disappointed that the F.D.A.'s restrictions extended only to sulfites used to preserve the color and texture of fresh vegetables and fruits, not to those in prepared potatoes, dried fruit, shrimp and wine. According to Mitchell Zeller, a lawyer for the Center for Science in the Public Interest, about 60 percent of the severe reactions to sulfites have been traced to foods not covered by the F.D.A.'s ban, which goes into effect Aug. 8.

The Commissioner of Food and Drugs, Dr. Frank E. Young, disputed that statement, saying, "The major problem was in the salad bars and in fresh fruits and vegetables."

Meanwhile, an official of the Bureau of Alcohol, Tobacco and Firearms said last week that it would soon require labeling for alcoholic beverages in which high amounts of sulfites are used to protect color and flavor. Congress had ordered the F.D.A. to evaluate — and possibly regulate — the additives in all foods by June 1, but the agency missed the deadline, Mr. Zeller said.

"There are 500,000 sulfite-sensitive people in the country," he argued. "I hope we won't have to wait until more deaths before other foods are evaluated."

Caroline Rand Herron
and Michael Wright

A Shrinking Recruiting Pool Is Just One of the Problems

The Navy Worries It May Have Too Many Openings

By JOHN H. CUSHMAN Jr.

DEMOGRAPHIC tides and budgetary winds are driving the United States Navy toward a dangerous shoal: a potentially crippling shortage of manpower in the coming decade.

Under the Reagan Administration, the Navy

has been perhaps the most successful of the military branches in pressing for growth. Today the service is well on its way toward deploying 600 combat-worthy vessels. But modern ships, according to officers and civilian experts, require highly trained people — and more of them.

Senior Navy officials say there is reason for concern in the years ahead.

"I'm afraid unless we get our act together to bring up the base of qualified youth, that the all-volunteer force will fall by the end of this decade," said Adm. James D. Watkins, in a speech broadcast by the Navy as he retired as Chief of Naval Operations on June 30.

"We are concerned that trends are down and long-term demographic indicators portend a worsening recruiting environment," said Vice Adm. Dudley L. Carlson, deputy chief of naval operations for manpower, in a recent appearance before a Congressional committee.

As the baby boom generation grows older, there are each year fewer men between the ages of 18 and 24. The pool will have declined by 3.6 million, or 23 percent, from its 1962 peak before it begins to grow again in 1997, according to census figures.

But while the recruiting pool has shrunk, the Navy's demand for sailors has been rising. In 1987, the service is asking Congress to let it recruit an additional 11,000 men to man newly built ships. The Army and the Air Force, unlike the Navy, are not adding many new divisions or air wings, and thus have not had to ask for more recruits.

The Senate Armed Services Committee has cut the Navy's request to just 5,700 people, and the House Armed Services Committee would allow only 2,000 more sailors.

The House panel also voted not to give military personnel any pay raise next year; the Senate would allow a 4 percent increase.

Meanwhile, military pay is falling further behind the pri-

vate sector. Navy Times, a newspaper published for sailors, reported recently that, according to the most widely used index, military pay now runs about 8.3 percent behind comparable civilian wages.

With the newly refurbished Navy playing an increasingly active role in global strategy, as evidenced by recent actions off the coast of Libya, the young men who join today can in many cases expect to spend long stints at sea. Women are not commonly sent to sea since they cannot be given combat assignments under Federal law.

And because sailors take turns enjoying stints ashore, women are forced out of many noncombatant positions, a situation that only compounds the Navy's problems.

More than half of the Navy's active duty sailors log more than four years at sea for every three years ashore. There are 18 "ratings," or job assignments, that call for five years at sea before rotation ashore. That kind of duty can send highly trained officers, such as the and expensive pilots who fly from the decks of aircraft carriers, scrambling for more lucrative, usually less stressful, civilian jobs.

The Navy already is short more than 1,100 pilots, and more quit every day. This year, about 550 pilots are expected to decide against re-enlistment, despite bonuses that can run into tens of thousands of dollars. Another shortage particularly troublesome to the Navy is the shortfall of more than 20 percent in the number of officers trained to operate the nuclear reactors that power many modern vessels.

But some manpower experts say the Navy's personnel problems go beyond pilots and nuclear officers, touching virtually every aspect of the service's high-tech armada.

Martin Binkin, who studies military manpower issues at the Brookings Institution in Washington, said new technology is raising the number of people needed to run modern vessels.

As an example, Mr. Binkin cites Spruance class destroyers. In 1975, he says in a forthcoming book entitled "Military Technology and Defense Manpower," the Spruance was supposed to have 224 enlisted men in its crew. By 1985, the number had swollen to 295, an increase of one-third.

Mr. Binkin cited three reasons for the change: a growth in the number of people needed to maintain more complex weaponry, the failure of new technologies to perform as promised in eliminating jobs and, as crews become larger, the need for more sailors to cook, keep payroll records and perform other support functions.

Admiral Carlson said that while this may be true, in many instances a modern ship requires fewer men than the one it replaces and offers more firepower to boot. Battleships that carried 3,000 men in World War II are being refurbished with modern weapons and sent to sea with 1,200 sailors, he said.

But numbers alone may not explain the problem.

"These smart systems need equally smart people," Mr. Binkin said in a recent interview. Last month, the Navy reported for the first time in several years that the proportion of high school graduates among its enlistees declined, to 79 percent.



Sailors aboard the Paul F. Foster, a Spruance class destroyer.

Columbus, Ohio, Remains on Top

A Midwest City Goes Against the Grain

By JAMES BARRON

"GOODBYE, Columbus, goodbye," the phonograph sings in Philip Roth's 1959 novella. But these days, more and more people are saying hello to this state capital. Columbus recently surpassed Cleveland as Ohio's largest city, and Chase Econometrics, an economic forecasting service, has predicted that Columbus will grow faster than any other municipality east of the Mississippi River and north of the Mason-Dixon line.

This was the only city in the industrial Middle West that recorded consistent population increases between 1960 and 1980, growing from 471,316 to 566,114 according to the Census Bureau, and its expansion has created problems that its troubled neighbors wish they shared. While other cities worry about unemployment and an overdependence on depressed basic industries like steel, Columbus's fear is too few workers for its telecommunications and computer technology businesses. With more than 150 such companies, Columbus boasts of storing more data than any other city except Washington and Moscow.

A recent National Academy of Sciences study found that more jobs were created in Ohio between 1964 and 1984 than in any other state in the region, and other data show that Columbus led the state. According to Cleveland State University's Ohio Economic Trends Review, the city's work force expanded by 22 percent between 1976 and the second quarter of 1985. Growth of 9 percent is projected by the end of 1986.

To make room for all these new arrivals, real estate developers have reshaped a town where not so long ago cows grazed within sight of skyscrapers. Last year, three of every four housing starts in central Ohio were within six miles of the Sawmill Road expressway exit, while suburban office space doubled between 1984 and 1985.

Columbus was settled in the 1790's as a pioneer trading post, and the state capital was moved here before the Civil War. Donald C. Fanta, the president of an investment banking firm, says the city "is lucky in that it was not settled on a navigable river." That was not always seen as an asset, but it meant that smokestack industries relying on water transportation set up shop on the Great Lakes rim. Columbus, surrounded by flat farms that made land transportation relatively easy, concentrated on service industries.

Now, there is a good chance that items purchased by Northeastern consumers were shipped from Columbus. The Limited, the retail chain, has a year-old distribution center here with a computerized inventory system, and Johnson & Johnson, Sears, J.C. Penney, K-Mart and Radio Shack also have warehouses in the area. "They can move merchandise from foreign ports through New York or San Diego and back to stores in Paramus or Sacramento," well ahead of their competitors, said Roger Blackwell, a marketing professor at Ohio State, which offers logistics courses for prospective warehouse managers.

Columbus's base of state government and education has helped it prosper. "We've got a geographical combination that's working," said Malcolm Baroway of Ohio State University.



Office workers eating lunch on the State House lawn in downtown Columbus, Ohio, as construction continues on One Columbus, a high-rise office and retail development.

"We've got the same thing that Indianapolis has sold for a long time: a location that's an hour from anywhere by plane and not much more by truck. But we've got a lot of land left."

Economic Insulation

Because no single industry employs more than 20 percent of the population, Columbus has so far been insulated from economic fluctuations. "When a recession hits, Columbus just keeps ploughing forward," says Mark Anthony, an aide to Mayor Dana G. Rinehart, a Republican who has championed the development of companies offering services such as stock quotes and electronic mail services to personal computer users.

There have been complaints that Columbus is a sports town without a professional franchise. But

a city that sees some 80,000 fans squeeze into Ohio State University's football stadium on fall Saturdays hardly needs paid athletes. "Columbus is a little homogenous," said Judith Altrenter, a native. "But it's easier to get involved in community things than in New York, where it's all so high-powered it's intimidating."

American Electric Power, a regional holding company with a seven-state service grid, moved after it acquired the local utility. "Not all our people chose to come," recalls W.S. White, the lower cost of living and generally pleasant atmosphere, he adds: "I don't have to fashion a long laundry list to support our claim that it is a good move. Columbus is a city with a future."



The New York Times/Jose R. Lopez
Attorney General Edwin Meese 3d
announcing report from commission
on pornography last week.

gious organizations that have long sought a crackdown on pornography. Bruce Hallman, media director for Christian Voice, a Washington-based lobbying group, said he hoped the report would help stamp out "the plague of pornographic pollution which has ravaged our society."

Mr. Meese formally received the findings at a news conference. "I'm not concerned about any censorship being fostered by this document," he said. "I can guarantee to you that there will be no censorship... in violation of the First Amendment."

The Mailman Posts a Profit

Words like "higher-than-anticipated operating expenses" have in recent years come to be associated with the Postal Service almost as freely as "sleet," "the gloom of night" and "appointed rounds."

But last week the \$30 billion quasi-private corporation that moves the nation's mail made an unaccustomed announcement. Postmaster General Albert V. Casey reported a \$115 million profit for the quarter that ended June 6 and projected earnings of \$299 million more before the end of the 1986 fiscal year. He said that means postage rates are not likely to rise for at least a year and a half.

The price of a first-class letter was last raised — from 20 to 22 cents — in February 1985, and another increase had been threatened for sometime this year. Mr. Casey, who is retiring next month, said a low-inflation rate, a 4.7 percent increase in mail volume and cost-cutting measures had erased a deficit that was expected to reach \$500 million.

Meanwhile, the Postal Service's nine-member board of governors announced a series of measures designed to curb the potential for kickbacks and embezzling. The new procedures, many of them standard business practice, will require, among other things, that board members submit original receipts, not photocopies, with their expense statements. The board's former vice chairman, Peter Voss, resigned in May before pleading guilty to taking money in return for trying to help a Texas company win a Postal Service

مكتبة الاصل

Stretching the S.E.C.'s Reach

To put a lid on securities fraud the agency must get more help from overseas.

By NATHANIEL C. NASH

WASHINGTON
JOHN S. R. SHAD took his wife and family to the Orient last summer for vacation. After traveling through India, Nepal, Singapore and China, they arrived in Kyoto, Japan, a city Mr. Shad had last seen at the end of World War II.

And while in Japan, the chairman of the United States Securities and Exchange Commission was sought out by his Japanese counterpart, Shunsuke Kishida, and invited to a series of private dinners with some of Japan's top-level financiers and Government officials.

"The main event was when my wife and I got together with Kishida and his wife," Mr. Shad said. "They served us these delicious Kobe steaks that they sear over hot rocks." It was at that dinner, Mr. Shad said, that a common understanding was reached between the two securities regulators for a key agreement.

That agreement came to light in May, when Japan and the United States said they would exchange surveillance and investigative information in securities fraud cases, such as insider trading and stock manipulation. It was the first such agency-to-agency agreement, and if successful, could provide the S.E.C. with a fast channel to pursue violators of American securities laws using foreign bases to hide their activity.

Coming on the heels of the S.E.C.'s biggest insider trading case — the \$12.6 million scheme by Dennis B. Levine, who purportedly used a Bahamian bank to hide trades in 54 securities — the accord underlined perhaps the most critical issue in the S.E.C.'s future regulatory and enforcement actions: How well can it monitor and police the explosion of trading in United States securities abroad and the rush by Americans to invest in stocks and bonds overseas, where safeguards and protections against fraud can be almost nonexistent.

The Japanese accord and the Levine case, which produced unprecedented cooperation from Bahamian Government authorities, illustrate that the S.E.C. is global in the enforcement arena. Enforcement officials crow these days that the agency has demonstrated that no one can hide any longer from its enforcement grasp in such bank secrecy havens as the Bahamas and Switzerland. And foreign regulatory officials agree that more countries are awakening to the fact that if their domestic markets get the reputation for being rife with fraud, market participants will do their business elsewhere.

Earlier this month, in perhaps an equally striking agreement, the Cayman Islands — known as a haven for money launderers and securities fraud — signed a mutual legal assistance treaty with the United States to provide bank records and other assistance in insider trading cases and money laundering investigations.

But among international equities traders and even some commission officials, deep concerns persist over whether the S.E.C. will be able to adjust this nation's securities laws to permit United States investors and brokerage firms to compete on an equal footing with other countries, without being hampered by outdated and excessive regulations.

"One of the basic issues we have to face is whether our regulatory structure is driving business offshore and what we should do about it," said Mr. Shad. "Without a doubt, we need to work with foreign securities bodies to find out what kind of mutual cooperation is in the best interest of us all."

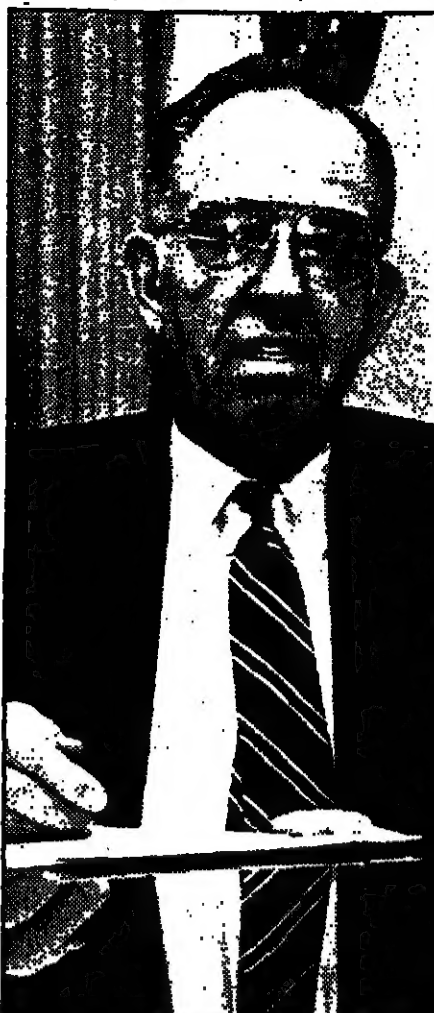
Indeed, at a meeting of the International Association of Securities Commissions in Paris this week, regulators from around the world will discuss greater cooperation. But such efforts are in their earliest stages.

The recent enforcement actions, experts say, are successful but isolated. And a lot of fraud, they fear, still goes undetected. The much broader question is whether the S.E.C. will be able to accommodate less rigorous disclosure standards of other countries while providing a policing mechanism that will hold the confidence of investors and preserve the integrity of American capital markets. But they fear that by the time an international regulatory system is set up, the United States might have lost a big part of the capital-raising market.

Although S.E.C. officials are slow to admit it, the developing world markets are bound to bring more deregulation in this country and lower standards. Already there is pressure on the nation's stock exchanges to lower standards for listing companies and to allow more off-board trading of listed stocks.

"The feeling in London is that the S.E.C. has gone too far in its disclosure and regulatory requirements. We can run ethical and honest markets without such onerous obligations," said Lynton Jones, the London Stock Exchange's director of communications.

Added Michael Benson, vice president of Lehman Brothers International Securities in London: "The S.E.C. cannot afford to keep up its strong arm, policeman-of-the-world image. The markets here are getting



John S.R. Shad, S.E.C. chairman in his Washington office

too efficient and will continue to draw business away if they insist on unreasonable requirements."

By every measure, the United States remains the premier market for raising money and trading in stocks and bonds. Last year, the stock market value of all publicly traded American companies accounted for 48 percent of the world market, dwarfing Japan's 22.5 percent share and Britain's 8.1 percent.

At the same time, America's securities markets are the most heavily regulated in the world — which gives investors some assurance but also increases the cost of raising money.

For example, quarterly earnings statements are required under American law, while most other nations require reports only every six months.

London and Tokyo — less regulated markets that still maintain a large degree of investor confidence — have gained ground substantially on the United States as technology makes it

AUSTRALIANS LOOK TO EUROPE

WASHINGTON

The top two officials of the Australian National Companies and Securities Commission visited Gordon S. Macklin, the president of the National Association of Securities Dealers, earlier this year.

In the course of discussion, Mr. Macklin asked whether several of Australia's major companies were planning any public offerings in the United States. The answer did not surprise him.

"I was told that a number had already bypassed the United States in favor of Europe out of concern over our legal system and the huge awards juries have given in class-action suits," said Mr. Macklin. "With the disclosure we require here, they just found it more cost-effective and

less risky to raise the money in Europe."

Raymond Schoer, executive director of the Australian securities agency in Melbourne, confirmed the conversation. He said that in response to the S.E.C. solicitation of comments last year on developing a common international perspective for the offering of corporate securities, Mr. Schoer had polled the top 10 Australian companies that had raised money outside of the country.

"Generally the attitude was lukewarm to hostile about following U.S. standards for disclosure," Mr. Schoer said. "They thought the requirements were too intrusive and too expensive, and would rather borrow in Europe."

easier to raise capital abroad or to invest in foreign securities.

American companies are just beginning to discover the appetite for their securities overseas, and a small but significant Euroequities market, patterned after the Eurobond market, is emerging.

Almost 500 stocks worldwide are traded on exchanges in more than one country. Hundreds of American stocks are quoted in more than one nation. The London Stock Exchange is undergoing a major deregulation overhaul of its trading rules. And earlier this year, the Tokyo Stock Exchange opened its membership for the first time to six foreign brokerage firms.

"I think the S.E.C. has to compromise its disclosure standards somewhat and recognize that there are perfectly fair, less-regulated capital markets around the world," said John M. Liftin, president of the Quadrex Securities Corporation, a New York securities firm. "The Euro market now rivals the U.S. debt market, and if we are not careful, it will rival our equities market."

But the S.E.C. cannot make the changes alone, and is now engaged in talks with a number of securities agencies from other countries — particularly Britain, Canada and Japan — to find common regulatory ground. In the area of enforcement, which is led by S.E.C. enforcement chief Gary Lynch, quiet diplomacy has been underway. The S.E.C. has received considerable help from Canada, Japan and Switzerland. But Britain and France, which have laws that can bar a bank or brokerage firm

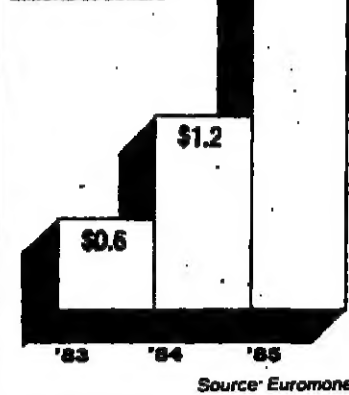
Fast Growth for Stock Markets ...

Country	Total Market Value, 1975 (\$ billions)	Total Market Value, 1985 (\$ billions)	Average Annual Growth Rate 1975-85
United States	\$683.6	\$1,955.4	11.1%
Japan	135.1	909.1	21.0
Britain	77.7	328.3	15.5
West Germany	51.5	179.0	13.3
Canada	49.5	146.9	11.5
Switzerland	18.6	90.3	17.1
France	34.5	78.5	8.6
Italy	11.5	64.7	18.9
Australia	22.9	62.5	10.6
Netherlands	15.6	51.6	12.7
World Total	\$1,178.1	\$4,039.1	13.1%

Source: Morgan Stanley Capital International

... And a Rush To Global Equity Offerings

Value of Euro-equity (stock offerings made outside a company's home country) in billions of dollars



Source: Euromoney



Gary Lynch, the S.E.C.'s enforcement chief

division of corporation finance. "If you let a foreign company offer securities with considerably less disclosure, you will have American companies coming to you asking why can't they follow the same rule," she said.

To deal with that discrepancy, she said, the S.E.C. might consider classifying certain of the largest United States and foreign companies as "world-class" companies from which less disclosure would be required.

While securities firms are concerned about losing the capital formation process to Europe and Japan, stock exchanges are worried about losing market share.

Oct. 27 is called Big Bang Day in the City of London. That day, the London Stock Exchange — the world's third-largest securities market after New York and Tokyo — will undergo the most significant deregulatory steps in its history. Just as on May 1, 1975, when fixed brokerage rates were abolished in the United States, commissions will be unfixed in London. The method of trading will shift from a so-called auction market, now used by the New York Stock Exchange, to a so-called dealer system, mirroring the trading by members of the National Association of Securities Dealers, in which several firms can make a market in a stock at one time.

While Britain will increase its regulatory oversight on Big Bang Day and put in place legal mechanisms for dealing with insider trading and stock manipulation, it will still have less rigorous regulation than the United States. And such an environment — more monitoring of questionable practices plus a less rigorous disclosure — should make London an even more attractive center than it is now for the raising of capital and exchange trading.

The point has not been lost to officials of American securities exchanges. In fact, there appears to be a rush to link electronically their trading activities with those of other exchanges. The American Stock Exchange and the Midwest Stock Exchange have trading links with the Toronto Stock Exchange, through which their stocks are quoted on the screens of Canadian brokers and vice versa. The Boston Stock Exchange has a linkup with Montreal.

In perhaps the biggest coup so far, the N.A.S.D. earlier this year established a trading link with the London Stock Exchange, by which about 200 British and foreign securities listed on the London Exchange are quoted on N.A.S.D. members' screens and more than 200 NASD stock quotations appear on the screens of British brokers.

Although the New York Stock Exchange has been relatively slow to respond, it now has 80 of its listed stocks trading on foreign exchanges and is talking with the Amsterdam Stock Exchange about a quotation linkage. These linkages are not tantamount to dual listing in hundreds of American securities, but the up-to-the-minute trading information increases the attractiveness to foreigners buying and selling those stocks. A British broker will still have to pick up the telephone and call New York to buy a N.A.S.D. stock.

Another, more controversial, change that some at the S.E.C. have proposed would permit Big Board member firms to trade in listed stocks after trading hours. But such 24-hour international trading can create major back-office problems for traders, as well as significant possibilities for abuses.

Mr. Shad and other S.E.C. officials complain about problems in international clearing and settling of stock trades, which they say can create huge risks to brokerages. While American securities trades settle in five days, Japanese trades do so in four, and British trades in two. And in Milan, "trades effectively never settle," said one New York trader.

The Economy

WEEK IN BUSINESS

Fed Gives a Kick To a Dull Economy

The Fed again moved to stimulate the stubbornly sluggish economy, cutting the discount rate by half a point, to 6 percent, and analysts said another cut is possible. The third reduction this year put the discount rate at its lowest in more than eight years, and immediately began showing up in lower prime rates — down to 8 percent at major banks. But West Germany and Japan did not immediately follow suit, despite pressure from the United States. Japan said its economy was stimulated enough, thank you, citing the rapid fall of the yen against the dollar.

Producer prices were unchanged in June, but prices have fallen at a 6.5 percent rate so far this year. Gasoline costs jumped, but food prices fell. Sales at major retail stores improved in June over a year ago, although analysts said consumers appeared to be buying selectively.

A "technical correction" in the stock market sent the Dow average plunging a record 81.87 points on Monday, followed by an 18-point fall on Tuesday. But stocks stabilized the rest of the week. The Dow ended at 1,821.43, down 79.44, its second-worst week ever. Bond prices zigzagged until the Fed cut the discount rate, but a rally never materialized. M-1 rose just \$100 million.

Lockheed agreed to buy Sanders Associates for \$1.2 billion, a friendly bid that keeps Sanders away from Loral. Lockheed, already a big presence in aviation and missiles, has been looking to get into the military electronics business, and analysts say Sanders makes a nice fit. Most electronics stocks took a big jump the day after Lockheed's bid, suggesting that Loral and others still seek an electronics connection.

U.S. Steel is changing its name to USX. The name change is part of a restructuring that leaves the steel operations as just one operating unit — the others include Marathon Oil and Texas Oil and Gas — and is expected to make USX more competitive and flexible.

Another Wall Street banker resigned. David S. Brown, a 31-year-old Goldman Sachs investment banker, reportedly was implicated in the S.E.C. investigation of Dennis B. Levine, who has pleaded guilty of insider trading.

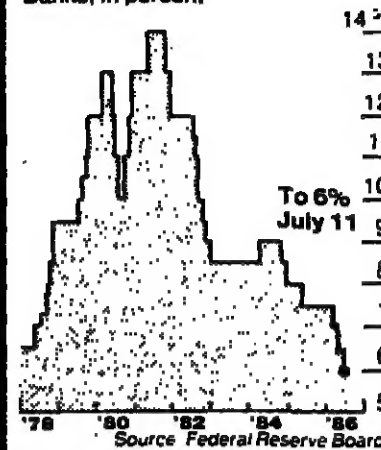
The S.E.C. barred tender offers that exclude some shareholders, saying bidders must offer the same price to all shareholders. The S.E.C. action was in response to Unocal's buyback plan last year that excluded shares held by T. Boone Pickens.

The Supreme Court struck down the automatic spending cuts provision of the Gramm-Rudman budget-balancing law, but left the door open for other congressional remedies to the huge budget deficits.

Lotus Development's chairman is quitting, saying he wants to explore "other endeavors." Mitchell D. Kapur is credited with major break-

Discount Rate

Rate charged on loans to financial institutions by the Federal Reserve Banks, in percent



throughs in computer software. Lotus 1-2-3, Jazz and Symphony are among his most popular programs.

Oil prices fell again, and many American oil companies cut the price they will pay for crude. Analysts say prices are mostly responding to OPEC's indecisiveness.

Ralston Purina plans to sell its domestic animal feed business to BP Nutrition, a British company, for about \$500 million, as part of a restructuring to give it a greater presence in consumer products.

People Express is selling Frontier to United for \$146 million in an attempt to get enough cash to keep the wolf from its doors. Many analysts had expected all of People to be sold, as Donald C. Burr's low-cost air empire crumbled under the weight of too-rapid expansion. Instead, People, rejecting a \$240 million bid from Texas Air as too low, said it would try to survive as a full-service airline. Some analysts wonder whether the management structure and the competitive atmosphere in the industry are conducive to that. Frontier became an albatross after People imposed its no-frills policy on the Denver-based carrier.

Texas-Air's acquisition of Eastern faces few major obstacles, but the Transportation Department wants assurances that the sale to Pan Am of some Northeast corridor shuttle operations will guarantee continued competition on those routes.

T.W.A. and Northwest agreed on a plan that gives Northwest a half interest in T.W.A.'s Paris reservation system, giving T.W.A. the opportunity to expand the system.

Burlington Northern will write off \$1.9 billion before taxes in the second quarter, leaving it with a loss of about \$1 billion. The big railroad company cited the oil and gas slump and accounting changes. Other rail companies have taken similar steps, but Burlington's problems have been exacerbated by its recent \$730 million acquisition of Southland Railway, an oil and gas company.

Merrill Perlman

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JULY 11, 1986

Company	Sales	Last	Net Chg
Cent E	11,155,600	25%	-
Safeway	10,231,000	57%	+ 2%
Pan Am	8,926,800	6%	+ %
IBM	8,554,800	143%	- 5%
AT&T	7,469,500	24%	- %
ITT Co	7,024,000	56%	- 1%
Pan EC	6,280,300	49%	+ %
Phil M	6,238,200	73%	- 2%
Sears	6,219,500	43%	- 4%
Coca Cl	6,159,300	41%	- 2
Sandr	6,123,000	62%	+ 7%
Aad DG	5,617,600	65%	- 1%
Mer Lyn	5,517,800	35%	+ %
Sperry	5,380,300	75%	...
Kmart	5,321,100	53%	- 2%

MARKET DIARY

	Last	Prev.
Advances	545	1,177
Declines	1,475	758
Total Issues	2,194	2,180
New Highs	111	324
New Lows	112	46

VOLUME

	Last	Year
(P.M. New York Close)	Week	To Date
Total Sales	725,762,905	18,694,289,806
Same Per. 1985	534,013,800	14,374,487,546

WEEK'S MARKET AVERAGES

	High	Low	Last	Chg
New York Stock Exchange	165.1	158.2	159.8	-7.16
Indust	118.5	114.3	115.1	-4.59
Utilities	73.7	71.8	73.7	-0.10
Finance	155.1	148.4	151.8	-6.08
Composite	143.1	137.5	138.5	-5.16

Company	Sales	Last	Net Chg
400 Indust	281.1	265.9	268.7 -12.30
20 Transp	202.1	192.2	193.8 -8.29
40 Util	111.5	107.9	111.5 + 0.03
40 Financial	29.9	28.4	28.8 -1.07
500 Stocks	251.8	239.0	242.2 -9.57

Company	Sales	Last	Net Chg
30 Indust	1895.5	1794.9	1821.4 -79.44
20 Transp	777.6	740.1	751.3 -25.37
15 Util	204.6	194.6	204.0 + 3.24
65 Comp	726.7	692.2	705.6 -22.30

The American Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED JULY 11, 1986

Company	Sales	Last	Net Chg
Wickes	7,964,400	5%	- %
WangLab	2,396,100	13%	- 1%
Harley	1,334,800	13%	- %
BAT Ind	1,261,600	6 1/2%	- 5/16
Lorimar Tel	1,101,600	27%	- 2%
All Int	832,000	6%	+ %
Combrn	803,800	10%	...
Texas Air	736,200	32%	- 2%
Hambro	736,100	53%	- 4%
FluorPr	709,700	8%	...

MARKET DIARY

	Last	Prev.
Advances	202	414
Declines	601	354
Unchanged	124	153
Total Issues	927	921
New Highs	28	78
New Lows	57	32

VOLUME

	Last	Year
(P.M. New York Close)	Week	To Date
Total Sales	58,563,065	1,736,723,859
Same Per. 1985	30,672,590	1,094,493,540

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE D. DRYFOOS, Publisher 1961-1986

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
JACK ROSENTHAL, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GRANT, Assistant Managing Editor
MAX FRANKEL, Editorial Page Editor
JACK ROSENTHAL, Deputy Editorial Page Editor
JOHN D. POMFRET, Exec. V.P., General Manager
LANCE R. FRIEDMAN, Sr. V.P., Asst. General Manager
RUSSELL T. LEWIS, Sr. V.P., Circulation
J. A. ROOSE JR., Sr. V.P., Operations
HOWARD BISHOP, V.P., Employee Relations
ERIC G. LINDER JR., V.P., Advertising
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSE, V.P., Systems

The Story of X

In matters of the flesh, we've come a long way, baby. A generation ago, Harvard kept all its dirty books in a special cage in Widener Library; the X Collection, it was called. There's still a vault, but now it's to protect books, not young minds. The X has long since escaped the cage.

Once, incredulous schoolboys exclaimed over smuggled copies of "Tropic of Cancer." By the time they reached adulthood, no smuggling was necessary. They could get the "Story of O" in a bookstore. Now their children can buy the pictorial equivalent, at the local candy store, in full color.

Indeed, city dwellers have become so jaded by porn that they find it easy to scorn people who are troubled by it as censors or hicks. Yet millions do wonder, uneasily and conscientiously: Are there not constructive things to do, short of invading the bedroom or stifling free speech?

That was the challenge presented to the Attorney General's Commission on Pornography. The commission has finished its work but the challenge remains. The final report is a well-meant, windy muddle.

It could have been much worse, to judge by some of the commission's earlier activity, like the shameful use of Department of Justice stationery to intimidate retailers of "skin" magazines. A court injunction was needed to stop it. Accounts of the commission's hearings brim with instances of naïveté and exaggeration. But the 2,000-page report distributed this week gives a calmer, sounder impression.

Yes there is some intense moralizing, careless writing and undue fascination with anecdotal horror stories. But there is also candor about how little time and money the commission had. The commissioners voice special concern for the printed word. They discuss child pornography realistically: very little of it is commercial; most pictures are taken, and traded, by amateurs; thus it is damnably difficult to police.

One conclusion may typify both the commission's prose and pragmatism: "The manner of presentation and distribution of most standard porn-

graphy confirms the view that at bottom the predominant use of such material is as a masturbatory aid." To use the term "at bottom" in this context invites a giggle, but the conclusion and perspective are probably right. Most pornography is harmless.

Yet surely not all. Americans need no commission report to deplore sexual abuse of children, whether or not it is recorded in pictures. There is much to be said about the way pornography can degrade women and incite dangerous myths about their supposed desire to be ravished. And anyone who regards other forms of expression as pornography can picket and protest; free speech works both ways.

The commission recognizes that there's a limit to law, and that opinions vary around the nation. It's a long way from Times Square to Winesburg, Ohio. The Supreme Court has offered a useful way to mediate the distance: Let pornography be judged by contemporary standards in a particular community. But the commission nonetheless urges new Federal bans on, for instance, cable television and telephone services.

This report offers no new data; there was no money for original research. There's not much help on the analytical or philosophical front, either. The commissioners got caught up in hair-splitting debates about which kinds of pornography might, even arguably, generate sexual violence. Nor does the report seem intended even to meet a political purpose.

This commission was not appointed by Attorney General Meese but by his predecessor, and so far, Mr. Meese acts like a man who would not mind at all if the report disappeared. That thought is fortified by the fact that, at the acceptance ceremony, beneath the bare aluminum breast of a 12-foot statue, he was unprepared to comment because he had not read the report.

He'll find it heavy going. Stretching to bring all commissioners under the tent, it ends up reasonable in tone but opaque in content. Every commission starts out promising that, by George, we're going to produce more than a volume that collects dust on a shelf. In that sense, the pornography commission has succeeded. It's produced two volumes.

The Third Branch, Upheld

Warren Burger's last opinion as Chief Justice was momentous, yet the country reacted calmly. In nullifying one of Congress's most important recent pieces of legislation, the Gramm-Rudman-Hollings budget law, Justice Burger showed how far he'd traveled — and how near the public consensus the Court still stands.

Eighteen years ago, in another famous case before the Court of Appeals, Judge Burger had declined to challenge the House's refusal to seat the late Adam Clayton Powell. "The checks and balances we boast of can check and balance just so far," he wrote then. "That each branch may, thus, occasionally make errors for which there may be no effective remedy is one of the prices we pay for this independence, this separateness."

That Burger opinion was reversed in June 1969 by the last ruling of his predecessor, Chief Justice Earl Warren, who said the situation required "no more than an interpretation of the Constitution." By last week, in his own final trespass on Congress's powers, Mr. Burger was just as direct: "No one can doubt that Congress and the President are confronted with fiscal and economic problems of unprecedented magnitude, but the fact that a given law or procedure is efficient, convenient, and useful in facilitating functions of government, standing alone, will not save it if it is contrary to the Constitution."

This was no valedictory spree. The supposedly restrained Burger Court struck down more Federal

laws, more state laws and more Supreme Court precedents than even the activist Warren Court, and in about the same number of years. Nor did the Burger Court display all the deference expected of it toward the Presidency. In its last year, it was especially hard on the Reagan Administration's more extreme arguments concerning voting rights, affirmative action, disability payments and abortion.

Spanning the years from Presidents Nixon to Reagan, both of whom tried to force its opinions, the Burger Court managed to retain a healthy independence. President Reagan vows to try even harder now to staff the Court with more predictable votes and to press on it even tougher legal arguments. If he gets the vacancies, he undoubtedly has the will and the candidates. But by now elevating Justice Rehnquist to Chief Justice and replacing Mr. Burger's vote with Antonin Scalia's, he will not greatly alter the Court's delicate balance.

The Court has been both balanced and remarkably sensitive. It has caught the national mood, not merely followed the election returns. Like the country, the Court has admired Ronald Reagan but by no means all his policies; it has shown weariness with welfare but insisted on justice for the poor and sick; it has been distrustful of racial quotas but unwilling to countenance discrimination.

Warren Burger's Court, by pursuing its separate function, wound up being an affirmative actor in the American system.

Topics

Children of Darkness, and Light

Minister of Death

Rarely has any public official anywhere so personified evil as José López Rega. Known to many Argentines as "el Brujo," the male witch, he has now been extradited by the United States to Argentina.

Two decades ago, Mr. López Rega, a retired police corporal and practicing astrologer, insinuated himself into the Madrid household of the exiled Argentine dictator, Juan Perón. When Mr. Perón regained power in 1973, his new aide was made Minister of Social Welfare, the post from which Mr. Perón had launched his own career. When Juan Perón died a year later, his widow, Isabel, became President in name, but it was "el Brujo" who ran Argentina.

With political violence convulsing his country, he made his ministry a militarized command post for a dirty internal war, initially against Peronism's own left wing. This war soon produced the murder of thousands and the euphemism "desaparecidos," meaning all those who had disappeared. When Peronist fiefdoms disappeared, "el Brujo" fled into hiding, too.

Now that a democratic Argentina is

re-establishing the rule of law, it is fitting that the spiritual godfather of so much carnage has been sent back to face the law. There's every reason to hope that justice is on its way to being done.

A Treasured Guide

It is people like Lambert Pomeroy who give quality to the life of New York, or any city. Mr. Pomeroy, who died last week at the age of 59, was simply "Lambert" to the flocks he often led through Central Park, introducing the birds and butterflies.

An elf of a man, with a white beard and bush hat, he never revealed his private life; he lived with his mother and sometimes worked at the family's soft-drink stand on Staten Island. But on most days, he patrolled the 800 acres of the park, binoculars in hand, scanning the treetops and underbrush for winged creatures.

He would share his passion on two distinct levels. Several times a year, he and a partner, Sarah Elliott, took groups of amateurs through the park to show off the rich variety of birds or butterflies. But he would show a special fervor when he was guiding serious birders, or recruiting a novice

park ranger into the ranks of the initiated. Lambert Pomeroy conducted his enriching missions for 40 years. Like the objects of his fancy, he was one of New York's treasures.

More Light

Daylight saving time means that those who work till 6 o'clock don't step from their offices into sunless streets. It means their ride home is a lot more interesting because they can see out the window. It means an extra hour in the garden... sitting on the front steps... or just hanging out at the corner. It means a stroll after supper... and doing 101 things that wouldn't get done if it weren't still light.

Come 1987 we're going to have three weeks more of those stretched-out days because President Reagan has just signed legislation advancing the start of daylight saving from the last Sunday in April to the first Sunday.

It's a welcome change because it will save energy. It's every bit as welcome because, by saving light, it will seem to lengthen life.

Letters

High Court Does Harm in Ruling on Sexual Conduct

To the Editor:

It seems to me that your humane editorial regarding the Supreme Court decision allowing states to criminalize nonprocreative sex ("Crime in the Bedroom," July 2) was insufficiently critical of the Justices on both sides of the issue who pursued their own personal tastes in lieu of genuine intellectual analysis.

The issue central to the use of the penal code to announce social policy respecting nonpublic sexual conduct is whether, philosophically, such statutes are laws at all. There is no question that most Americans really could not care less what neighbors who harm no one are doing behind closed doors. Indeed, the conventional wisdom is that people who are overcurious about the private lives of others have something of a problem themselves.

On the other hand, it is probably equally true that most Americans feel a sense of chagrin when they learn that friends or relatives are gay. There is an undoubted current of opinion that homosexuality is antithetical to family values, although the notion that homosexuals are incapable of public virtue seems to have long since been dispelled by education.

Penal laws may have a didactic function, along with goals of deterrence, rehabilitation and retribution. However, if an enactment is seldom likely to be enforced, cannot effectively deter the conduct complained of, does not safely channel rational desires for revenge, since there is no victim, and could not by the remotest stretch of the imagination "reform" putative defendants by locking them up with persons of the same gender, then the sole purpose of informing the general population that certain conduct may be unwelcome does not constitute a sufficient basis for law, under any tenable framework of coercive morality.

This is especially true in light of the many valid civil and criminal remedies that are available should such conduct extend to actual intrusions on or threats to the safety of others.

Moreover, weighed against the pur-

ported legitimacy of laws regulating consenting intimate relations are other factors also not considered by the Supreme Court. One role of law is to protect all citizens against victimization. If a statute tends to promote blackmail, assault, harassment and denials of civil rights, in such areas as housing, employment and other necessities that the majority takes for granted, while its only claim to validity is the articulation of what many would view as a mere esthetic bias, then breathing life into such a statute could hardly reflect a reasoned concern for the commonweal.

Because of the volume of work, so often deplored by the outgoing Chief Justice, it may be that careful, well-focused attention cannot be applied to all cases that come before this nation's highest court. In that event, perhaps Congress, in the wake of this truly appalling decision, should consider, at the very least, revising the oath for incoming Federal judges. Borrowed from the profession of medicine, the added clause might read, "I swear (or affirm) that first, I will seek to do no harm."

HARVARD HOLLENBERG
New York, July 2, 1986

A Reactionary Omen

To the Editor:

While the Supreme Court decision to allow Georgia's sodomy law to stand (front page, July 1) will no doubt have tragic legal and psychological consequences for American homosexuals, it should be viewed as a national defeat. The ruling is ominous of reactionary decisions to come.

Essentially, the Court has sanctioned the doctrine of Edwin Meese 3d of relying upon a narrow reading of "moral tradition" and original constitutional intent to inform Court decisions, rather than a democratic sense of justice. The case, *Bowers v. Hardwick*, involved a privacy issue that was distorted by the majority into a debate over "acceptable" sexual practices.

Jerry Falwell, the New York Archdiocese and their fellow autocrats of morality have good reason to be smug, for they need not wait for fur-

ther Reagan appointments to the Supreme Court; the mean-spirited and intolerant arm of trendy fundamentalism already hugs the current Justices.

The steady turnaround in Supreme Court attitudes over the last five years should serve as a lesson to those of us who came of age during the 1960's and 70's. For us, most of the decisions of the Warren Court were decisions for celebration, as they represented a society embracing greater personal freedom and social tolerance, leaving the impression that once, leaving the impression that once, democracy does not impose social conformity to achieve social order.

The ruling on homosexuality, then, strikes some of us as unreal, frightening and an unimaginable reversal of our previous impression of the judiciary as a protector of individual freedom against parochial intolerance. But, in reality, the Court is simply turning to its historical role as one of the last national institutions to recognize social change.

It is fitting, though painfully ironic, that the decision has fallen in the week of America's well-planned day of celebration. It should serve to remind us how narrowly defined "liberty" can become. The fireworks, tall ships and endless self-satisfaction of the Fourth of July may fool some of the people some of the time, but it will not withstand the scrutiny of history, which will be forced to conclude that in 1986 "liberty" carried with it a host of troubling qualifications.

Those of my generation who may be shocked by the Court's invasion of their treasured life styles will perhaps now reconsider their recent complacency.

STEVEN SMITH
Providence, R.I., July 1, 1986

Heterosexuals Also

To the Editor:

Associate Justice Harry A. Blackmun pointed out in his dissent that the Supreme Court's "almost obsessive focus on homosexual activity is particularly hard to justify in light of the broad language Georgia has used."

The state law forbids acts of sodomy between homosexuals as well as between heterosexuals. To focus on this as a solely homosexual issue is to distort and obscure the central question presented to the Court: Is the Georgia law an unconstitutional invasion of the individual's right to privacy?

DOROTHY WRIGHT
Philadelphia, July 1, 1986

Punish and Educate

To the Editor:

Your editorial on the Supreme Court decision that preserves the right of states to outlaw sodomy (July 2), is a repetition of the faulty reasoning you have previously displayed on the issues involved in homosexuality. The effort to establish homosexual rights is a campaign to establish sodomy as an acceptable sexual practice, and there are grave reasons for withholding that acceptability.

There are substantial grounds for contending that sodomy is destructive of human personality, considered as the basis of individuality, freedom and dignity. What is destructive of these basic human attributes is criminal in the same way that assault, murder and rape are criminal.

The "privacy of the home" does not negate the need for legislative condemnation, which in addition to its punitive function has an educational role.

R. W. HARRINGTON
Peekskill, N.Y., July 2, 1986

Big Greenhouse Heat Wave Not in Sight

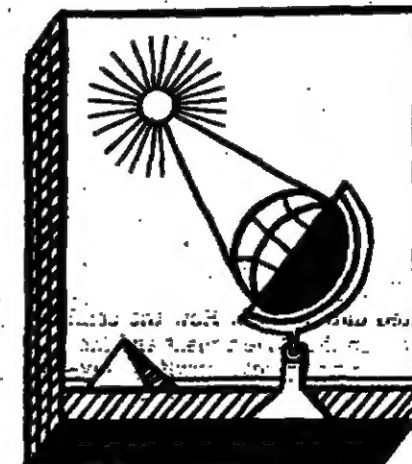
To the Editor:

Before we all rush off to sell our waterfront property and move to Canada or Alaska as a result of the carbon dioxide greenhouse warming effect, we should be aware of a few important facts.

Michael Oppenheimer's June 30 Op-Ed article projects a scenario based on computer models that say essentially that a given amount of carbon dioxide will cause a given amount of worldwide climate warming. CO₂ has been on the increase in our atmosphere for the last century and is diligently monitored.

However, worldwide temperature studies and those in the Hudson Valley and other Eastern U.S. areas have shown no statistically significant increase in temperatures. While temperatures in the first half of the 20th century show a steady increase, those in the 1950's, 60's and 70's reveal, if anything, a drop. Until the CO₂-greenhouse scientific establishment can explain that drop, contrary to what would be expected, its models for future CO₂ effects are to be questioned.

It is quite possible that the present 12,000-year interglacial era is ending and that the cooling effect is being off-



Mark Blahut

set by the CO₂ greenhouse warming effect, in which case added CO₂ might not be a bad thing. Along with other human polluting activities, the subject requires careful study of the many factors that can influence our climate.

JEROME S. THALER
President

Hudson Valley Climate Service
Mahopac, N.Y., July 1, 1986

Thanks to Everybody For Liberty Weekend

To the Editor:

May I appoint myself unofficial spokesman for the millions of tourists who gathered to celebrate the birthday of one of our nation's greatest symbols?

Thanks, then, to the unrecognized workers who contributed so unselfishly to make Liberty Weekend a most memorable event; to the police officers who worked 17 or more hours continuously; to the fire fighters who worked double shifts; to the sanitation workers who toiled each evening to make New York City presentable for the following day; to the Army, Air Force and Navy personnel, and others who provided security; to the many city workers who gave of themselves in many different ways; to the taxi drivers who were courteous and frequently gave directions to wandering visitors; to the New Yorkers who remained in the city to celebrate this holiday, for their courteousness and assistance; to the New Yorkers who left the city to escape the horde of tourists, for giving our festive historical event breathing space, though they missed something that happens not once in a lifetime, but only once in 100 years.

It was a grand, glorious, unforgettable Liberty Weekend, and we thank all of you.

HAROLD L. MILLER
Chicago, July 7, 1986

To the Editor:

To me as a transplanted New Yorker, the most stunning tribute to your fair city on the Liberty Weekend was the announcement that out of a crowd of 800,000 people at the Central Park concert, there was not one arrest! Common decency guided the occasion.

ROBERT WILLIAM
Los Angeles, July 7, 1986

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Tough Talk Instead of Smart Diplomacy

To the Editor:

President Reagan's strategy for lashing out against the Russians while offering peace signals ("How Reagan Has It Both Ways With Moscow," Washington Talk page, July 2) deserves to be sharply criticized. There is no diplomatic logic I can see in wanting to have it both ways.

The strategy can produce agreement with the Russians only if they choose to accept the American adage of paying attention to what we do rather than what we say. This is at odds with the advantage attributed by some to the tough rhetoric — namely, that it enables the United States to get attention from the Russians for the moment it chooses to be accommodating. But such advantage can be gained only if the Russians value agreement more than this country does and will discount our rhetoric to get it.

Far more likely, the Russians will interpret our rhetoric as an index to how serious we are about agreement. They will thus care about our rhetoric, just as we should; diplomacy, in arms control as in other matters, is about words and building confidence that rhetoric can suffice, as happened during the cold war of the late 1940's and 50's.

Those who want it both ways in this case may well have trouble deciding what it is they really want. Specifically, President Reagan's approach to the Russians seems to stem from a lack of consensus within the Government and in the country, about

whether arms control is a vital national interest and, if so, how much this country can give up to get it.

There is also a notable absence of agreement on whether Soviet leaders are capable of acting responsibly in world affairs. For example, the decision of the Administration to jettison the second strategic arms treaty on the ground of Soviet violations raises the question of how Soviet compliance with any arms accord can be expected to be more felicitous.

The less clear the Administration is in its priorities, and the smaller its margin for adapting to shifts in the Soviet position, the more understandable, from a propaganda standpoint, becomes the wish to have it both ways. But such a strategy is then fundamentally one of weakness.

To be sure, the strategy provides protection against diplomatic failure in arms-control talks, and it will suggest to many that the U.S. can do without arms control. Those skeptical of negotiations can use the rhetoric to bolster their case against any serious test of an American commitment to negotiated arms control.

But the strategy is also based on wishful thinking, in that it implies agreement with the Russians on armaments is feasible even as the United States takes a vigilant and suspicious view of Soviet intentions and behavior.

BARRY H. STEINER
Professor of Political Science
California State University
Long Beach, Calif., July 3, 1986

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WASHINGTON
James Reston

Counting On Reagan

In their campaign to retain control of the U.S. Senate in November, the Republicans are relying not on President Reagan's policies but mainly on his personal popularity.

Four years ago in the mid-term Congressional elections, the country was in the midst of the worst economic recession in almost half a century, and the Republican candidates were not counting on the President but running away from him.

Now with a slim 53-47 majority in the Senate, and with 34 seats at stake (12 now held by Democrats and 22 by Republicans) the Republicans are turning to their two major advantages, money and Mr. Reagan.

There is very little talk now about a "conservative Reagan revolution" that will establish the G.O.P. as the major party in the next decade. The news from the 14 so-called battleground states is that the Democrats are ahead in enough of them to threaten the President with loss of the Senate in his last two years in office.

Accordingly, he is planning a well-financed tour of these 14 states between Labor Day and Election Day, and he has an appealing message.

"Don't handcuff me in my last days in the White House," he says. "With the Senate in Republican hands, I'll have at least a chance to negotiate compromises with the Democratic-controlled House on both domestic and foreign policy. Without the Senate, we'll have two years of bitter partisan conflict."

The Democrats don't underestimate the force of this argument. Eleven of them in the Senate went along with Mr. Reagan's \$100 million aid to the Nicaraguan rebels not because they believed he was right, but because they knew he was popular. His strong support for tax reform is another indication of his influence when he focuses his powers of patronage and television on the critical areas of public debate.

Traditionally, these Senate races are usually decided by local issues and personalities. For example, the farm states are now in serious economic difficulty, and this, plus ideological differences in North Carolina and indifferent candidates in Florida,

Republicans face a close contest to retain control of the Senate

Alabama and Idaho are giving the G.O.P. some anxiety.

But this year President Reagan could make a big difference. Not since the days of Franklin Roosevelt has a President been so popular with the voters in the middle of a second term, and Mr. Reagan's last-chance appeal could be decisive.

But there is no consolation in the G.O.P. as it looks forward to the Presidential campaign of 1988. Mr. Reagan will not be able to choose his party's Presidential nominee, who will have to run on the Reagan record and not on the Reagan personality.

What Mr. Reagan has been able to do is to make both parties, in their search for a standard-bearer in 1988, consider the qualities that have made him so popular. He may not have created a policy revolution, but he has created a tactical political revolution.

He has demonstrated what can be done by an attractive personality who has mastered the arts of television, and both parties are now looking around for somebody who can copy his techniques if not his policies.

This is one reason why, perhaps with the President's private support, his friend Senator Paul Laxalt of Nevada is being put forward as the new engaging challenger to Vice President Bush, Representative Jack Kemp of New York and the Republican Senate majority leader, Bob Dole of Kansas.

There is a growing feeling in Washington that neither of the two major-party front-runners in the polls at the present time, Vice President Bush and Gary Hart of Colorado, will be nominated, and that Senator Dole and Gov. Mario Cuomo of New York will probably come forward as formidable candidates in late '87 or 1988.

In Senator Dole's case, much will depend on the outcome of the Senate elections this November. For if the Republicans retain control of the Senate, he will have the prominent platform as majority leader, which he has used so effectively in the last couple of years.

Meanwhile, the President will be concentrating on the key Senate races. It is for this reason that he has made clear that he would prefer to discuss arms control with Mikhail Gorbachev of the Soviet Union after the elections.

This will be one other argument the President will be making in behalf of the Republican senators, namely, that it would weaken his efforts for arms control at the summit if his party loses control of the Senate in November.

The Democrats, of course, think this is a weak argument, considering Mr. Reagan's mystifying record on arms control over the last six years, but the people just may side with the President in the end, as they have done on so many other major controversies since 1980.



Toward Pakistani Democracy

By Stephen J. Solarz

WASHINGTON—Now that democracy has been restored in the Philippines, the United States needs to consider how best to promote political pluralism in Pakistan if we are going to protect our strategic interests on the subcontinent as effectively as we protected them in southeast Asia.

Energized by the return of Benazir Bhutto, the democratic opposition in Pakistan is mounting a fundamental challenge to the military-backed Government of President Mohammad Zia ul-Haq. The Pakistani Government must seriously consider whether political stability can be maintained without some concessions to the opposition. The Reagan Administration must weigh whether it is possible to secure our substantial strategic interests in southwest Asia without more active advocacy of democracy.

The latest flurry of opposition activity began in April when Miss Bhutto, daughter of the former Prime Minister, Zulfikar Ali Bhutto, returned to her country from Europe. Millions of Pakistanis attended her rallies, with hundreds of thousands sometimes waiting through the night to hear her speak. Fortified in her conviction that the great majority of her countrymen desire more rapid progress toward full democracy, she has called for new parliamentary elections this year.

The Government cavalierly dismisses these mammoth turnouts as congregations of curiosity seekers otherwise deprived of public entertainment, and it refuses to hold elections before the constitutionally mandated date of 1988. How the conflict between the Government and the opposition will resolve itself is impossible to predict. It is possible that the looming confrontation can be resolved in a way that lays a firm foundation for a pluralistic political system. But the potential for widespread instability leading to a reimposition of martial law cannot be ruled out.

To be sure, General Zia has taken some significant steps toward democracy. Martial law was lifted last December. The military has returned to the barracks, and a civilian Government, based in the National Assembly elected by a majority of Pakistanis, has been established. Freedom of association has clearly been restored, and political parties have been made legal again.

Whether these measures are sufficient to satisfy the people in Pakistan is another question. Miss Bhutto's Pakistan People's Party holds that the civilian Government is merely a facade for continued military control, and she refuses to acknowledge its legitimacy. She also denies that the

Stephen J. Solarz, Democrat of New York and a senior member of the House Foreign Affairs Committee, visited Pakistan in May.

A Way to Tackle AIDS Education

By Harvey V. Fineberg

BOSTON—We need to think of educating the public about AIDS in a wholly new way—more like the way a corporation markets a new product.

The Polaroid Corporation and Procter & Gamble recently spent tens of millions of dollars on promotion campaigns for two new products. Likewise, the health of the American people should be thought of as a product, and every citizen should be a valued customer. The epidemic of acquired immune deficiency syndrome is an unprecedented threat to health that warrants a major campaign of accurate, creatively designed communication to high-risk groups and the general public.

All segments of society need to know enough about AIDS to make informed decisions about their behavior. Everyone should know that a stable, mutually monogamous relationship with a noninfected person eliminates any risk of sexual transmission of the AIDS virus. Everyone should realize that the donor of blood has absolutely no risk of contracting AIDS—a fact as yet unappreciated by one-third of Americans.

Every uninfected individual needs to know how he or she can exert personal control to avoid contracting AIDS. Infected individuals need to know how to avoid spreading AIDS. Sexually active homosexual men

Harvey V. Fineberg is dean of the Harvard School of Public Health.

A U.S. nudge for early elections would serve our strategic interests

legislative elections in 1985 were an exercise of popular will because no parties were allowed to participate. And she is unwilling to wait until 1990 for new elections.

The situation is so delicate that political stability could be shattered at any time. Demonstrations, thus far peaceful, could turn violent. If things get out of hand, the army would be strongly tempted to step in and reimpose martial law. Its inclination to do so would be enhanced by its fears of vengeance by the opposition—despite Miss Bhutto's pledge not to seek retribution for the overthrow and execution of her father.

The critical, and as yet indeterminate, element in the political equation is whether Miss Bhutto's party, so far composed largely of the disaffected poor and middle classes, will get the support of the establishment—the industrialists, professional groups, bazaar merchants and large landowners, who have not forgotten how they suffered from her father's abuse of power. If these groups decide to support the Government, Miss Bhutto's party will surely lose momentum and will find it much more difficult to induce the Government to agree to new elections.

If Miss Bhutto's opposition campaign does not lose steam, the best—and perhaps only—way of avoiding a crisis and preserving national unity would be to consolidate the democratic process through new elections in which political parties are allowed to participate. An election within the next two years would mean going to the people sooner than the Government intends but later than Miss Bhutto hopes. Such an electoral schedule might not satisfy all the contestants for political power, but it would serve the interests of democracy, reconciliation and peace.

Strategically, the United States has much to lose from the disorder and dictatorship that could easily result from a failure to call new elections. Pakistan plays a critical role in the effort to end the Soviet occupation of Afghanistan, and that contribution could easily be jeopardized if it becomes a major political issue in Pakistan. Some Pakistanis already believe that the aid we provide the Zia

Government because of the Soviet presence in Afghanistan effectively keeps the regime in power, and that General Zia and company serve American rather than Pakistani interests. In the absence of real progress toward genuine democracy, Pakistan's policy toward Afghanistan could be a major source of domestic contention.

A period of extended political conflict in Pakistan could seriously jeopardize the prospects for regional peace and stability. It would increase Moscow's temptations to meddle in Pakistan and diminish what incentives the Russians have to reach a just settlement of the Afghan conflict. And if there is a reimposition of martial law, the United States Congress would be less likely to continue high levels of economic and security assistance, thus jeopardizing the Afghan resistance.

How Pakistan resolves its problems is up to the Pakistani people themselves. Yet given the magnitude of our assistance program—the Administration has proposed \$4 billion for 1988 to 1993—we clearly have leverage to influence the course of events in Pakistan. In order to defuse political tensions and to create the basis for a more stable political order, we should encourage an agreement between the Government and the opposition on midterm elections in 1987 or 1988. With Prime Minister Mohammed Khan Junejo in Washington this week, the Administration has a good opportunity to do just that. Pakistan is one more country where we can advance our security interests by promoting our political ideals.

FOREIGN AFFAIRS | Flora Lewis

The Cost of Tyranny

PARIS The overthrow of several dictatorial and military regimes in recent years brings sharper focus on those remaining. There are always arguments about the danger of destroying order without delivering law and liberty when forces are gathering to topple tyrants.

Chile, South Korea, the unique case of South Africa are examples these days of confrontations where some say the aftermath of removing or profoundly reforming the regime could be as bad or worse than current distress. The U.S. Government hesitates to press for drastic change on that ground.

Nicaragua is cited as an example where ousting a dictator led to establishment of an even more authoritarian Marxist regime and (with U.S. help) continued fighting. Haiti flails and stumbles, unable to pick itself up. The Philippines look promising, but stability cannot yet be taken for granted.

It is a commonplace to observe that dictatorship is bad for practically everyone except the few it offers privileges, and that it perpetrates fearful crimes and often spreads corruption.

But not enough attention is paid to the burden of the heritage. It is the victorious democrats and their long-suffering peoples who have to keep on paying for the years of their own oppression, as they try to pick up the pieces and put their countries back together.

The biggest problems faced by President Aquino in Manila and President Alfonsín in Buenos Aires come from the economic destruction caused by their predecessors. The Philippines' crippling debt was the result of crony monopolies, graft and mismanagement. Argentina's was due primarily to the military's squandering the nation's substance on arms and atoms.

It seems unfair that the people who weren't responsible for the disasters, indeed were punished for opposing what was happening, have to bear the responsibility for repayment. But they do. Debts must be honored if the global financial system is to function, and a nation's obligations aren't tied to its rulers. Perhaps the international financial institutions could show a little more understanding and make temporary distinctions, but the problem won't go away.

President Reagan has had the good fortune of being in office during this period of waxing democracy in at least some parts of the world, notably Latin America. If any U.S. policy deserves credit for it, however, it was that of President Carter, whose

human rights activism helped provide the groundwork. It takes time for the challenges to ripen and prevail.

Meanwhile the bills pile up. This should be remembered when there are questions of what to do where undemocratic regimes are now coming under internal pressure. There are reasons to fear instability and new tyrannies in these countries. But weighing against them are reasons for not holding back encouragement to struggling democrats. Not only is their agony prolonged under authoritarianism, the more it lasts, the more they will have to make up for later.

The current issue of Foreign Policy magazine has some interesting discussions of factors the U.S. should consider. Former Secretary of State Cyrus Vance argues that concern for human rights is a realistic as well as idealistic yardstick for American foreign policy.

"The U.S. must always bear in mind," he says, "that the demand for

Struggling democrats pay the price

individual freedom and human dignity cannot be quelled without sowing the seeds of discord and violent convulsion. Thus, supporting constructive change that enhances individual freedom is both morally right and in America's national interest."

Congressman Stephen J. Solarz concentrates on the issue of whether the U.S. should intervene as resistance movements develop and appeal for help. He wisely insists that there can be no global answer and no case can set a compelling precedent for the next one.

But he offers some sound guidelines for judgment, giving full priority to clearly defined, well-understood American national interests. Neither anti-Communism nor sympathy is a good enough reason on its own to intervene. The question should address "specifics rather than abstractions, and realities instead of doctrines," he says.

This makes sense. The spread of democracy is in the U.S. interest. Washington cannot create or impose it where it doesn't exist, or protect those whose rulers refuse it. But the cost of tyranny outlives despots, and that too must be in the accounting.



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The New York Times

Hollywood Avoids Classic Novels

By MERVYN ROTHSTEIN

Here's a quick movie quiz: Which of the following novels have been made into films?

1. "Herzog" by Saul Bellow.
2. "Couples" by John Updike.
3. "Cat's Cradle" by Kurt Vonnegut Jr.
4. "The Confessions of Nat Turner" by William Styron.
5. "Dinner at the Homesick Restaurant" by Anne Tyler.
6. "The Adventures of Augie March" by Mr. Bellow.
7. "The Coup" by Mr. Updike.
8. "A Garden of Earthly Delights" by Joyce Carol Oates.
9. "Something Happened" by Joseph Heller.
10. "Sirens of Titan" by Mr. Vonnegut.
11. "Set This House on Fire" by Mr. Styron.
12. "Lie Down in Darkness" by Mr. Styron.
13. "The Centaur" by Mr. Updike.
14. "Henderson the Rain King" by Mr. Bellow.

The answer: None of them.

They, as well as many, many other novels by such major modern writers as Philip Roth, Iris Murdoch, Shirley Hazzard, Muriel Spark, J. D. Salinger, John Cheever, Isaac Bashevis Singer — the list can go on and on — have never been turned into movies.

The worlds of the novel and film have been linked just about since film making began. As Sergei Eisenstein once wrote, "From Dickens, from the Victorian novel, stem the first shoots of American film esthetic." And the works of many great novelists have been made into movies, some more than once: Dickens, of course, and Tolstoy, Dostoyevsky, Flaubert, Fielding, Kafka, Hemingway, Steinbeck, Faulkner and Fitzgerald.

In fact, E. M. Forster's "Room With a View" — made by the team of Ismail Merchant, James Ivory and Ruth Praver Jhabvala, which has had much success with novels — is currently playing successfully all over the country. And Mr. Bellow's "Seize the Day" has finally been filmed, for eventual showing on public television. Even works by such writers as Joyce and Proust, who at first glance would seem to defy any attempt at filming, have wound up on the screen.

Most of the novels that are filmed, however, are not in this league. Right now, for example, films based on Nora Ephron's "Heartburn," Leonard Michaels's "Men's Club" and James Clavell's "Tai-Pan" are set for release. Yet so many literary novels have not been filmed — books with vivid characters, compelling stories and picturesque settings — and a logical question is, why not?

In conversations with John Updike, William Styron, Kurt Vonnegut Jr., Ismail Merchant and a number of



Peter MacNicol, Meryl Streep and Kevin Kline in "Sophie's Choice," directed by Alan J. Pakula and adapted from the novel by William Styron



A scene from "Slaughterhouse Five," directed by George Roy Hill and drawn from the novel by Kurt Vonnegut Jr.

author. So I think my presence, so to speak, whatever it is worth, is necessary to a translation into a film — though the movie version of "Slaughterhouse-Five" did get along quite nicely without implying my presence.

"If I were going to do a Hemingway story, I think I would write in Hemingway and get a guy who looked like him — or in 'The Great Gatsby' you would almost have to write in Fitzgerald — because their presence is so

difference between the function of dialogue in novels and in films. "Look at any Hemingway novel," he says. "Its dialogue has always been admired, but if you take that dialogue as is and put it in the mouths of actors, it sounds ridiculous, because it is not designed to be performed."

Saul Bellow is perhaps the prime example of a novelist whose major works — more than half a dozen of them — have never been made into

from books by writers like Saul Bellow, or William Styron, or Kurt Vonnegut because they are planning to spend \$15 million or \$20 million on a movie, and they don't feel that these

novels will return the \$100 million they want. And if they don't think the movie will make \$100 million, they're not interested — they're not interested in serious, artistic books. And it's a tragedy."

Alan Ladd Jr., who as executive officer and chairman of the board of M-G-M is integrally involved in the decision of what does and doesn't get onto the screen, cites the difficulty of getting a good script. "In many cases scripts have been written, but the scripts probably didn't work out," he says. "Some books just don't translate into movies — they may be limited to a particular audience. They may just be too intelligent — they may be brilliant, but they just don't appeal to the masses. And with any project anyone in Hollywood undertakes, they hope to appeal to the masses."

Mr. Wolper believes many of the problems involved in bringing some books to the screen can be solved by making them into television mini-series — "You don't have to condense things so much or lose characters," he says. And the mini-series, he adds, can make stories more believable — "We never could put a script together for 'The Thorn Birds' as a motion picture. In a two-hour picture, it would seem too short a time for a priest to start courting after 20 minutes of pinning for a woman — a man who believes in God would fight with everything in his power to keep her away from him. But in the mini-series it takes 10 hours, and you feel that he did do everything in his power."

A different kind of problem developed when Mr. Wolper tried in the late 60's to make a film out of Mr. Styron's "Confessions of Nat Turner," the story of a 19th-century slave rebellion in the South as seen through the eyes of the leader of the rebellion. "Blacks objected," Mr. Wolper says, "— I think they were wrong — to the thoughts of Nat Turner as seen through the eyes of a white man instead of a black man."

The proposed film ran into great difficulty, Mr. Styron says — black screenwriters threatened a boycott if not consulted. "They accused me falsely of warping and twisting history," he says. "They overlooked the most important point — it was not history, it was a novel, and a novel should have great latitude."

Finally, a film was to have been made starring James Earl Jones,

"but then in the summer of '68 Fox abandoned the movie entirely because they were very close to bankruptcy," Mr. Styron says.

The experience left Mr. Styron with a bitter taste — so much so that a few years ago, after the rights had reverted to him, he turned down an offer to have "Nat Turner" made into a television mini-series. "I felt I had been exposed to such meddling and influence," he says, "and I didn't want to deal with it again."

Other writers, too, are not that interested in having their works taken over by others for the screen — Philip Roth, for example. "I've done two film scripts," he says, "The Ghost Writer" and "The Prague Orgy" — the first was seen on public television and the second was filmed last winter with Claire Bloom, Mr. Roth's longtime companion. "Both were small-scale projects initiated by English television directors, and nobody monkeyed with what I wrote. I had nothing to do with the movies of 'Goodbye, Columbus' or 'Portnoy's Complaint.' I saw 'Goodbye, Columbus' and enjoyed looking at Ali McGraw. I never saw 'Portnoy's Complaint.' That's about it. The filming of my novels doesn't mean very much to me and has played virtually no part at all in my writing life."

Many other writers, however, despite all the problems, are still interested in the idea of seeing their works and their characters — as well as those of other authors — appear larger than life on the big screen.

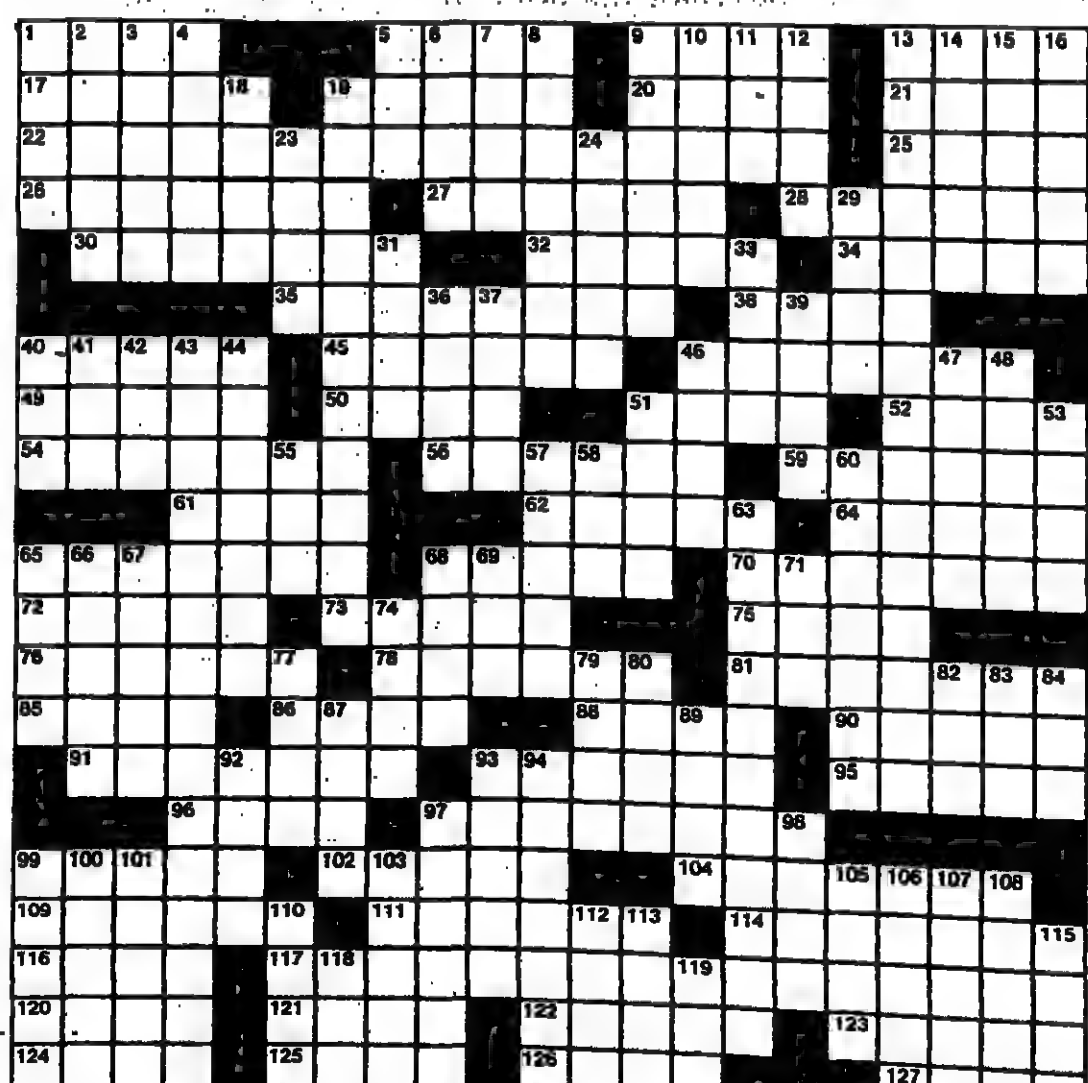
Joyce Carol Oates thinks that "almost any novel of any substance — anyone's, not just my own — could probably be made into an interesting movie with the right screenplay and the right director." The recent film "Smooth Talk" was based on one of her stories. "Certain things one does in prose can't be translated," she says, "— the evocation of mood by way of language and subtlety of language, irony, various tones that we attempt — but directors can do other things to make up for that."

And Erica Jong says that even more than a decade after it was published, she is still hopeful of having "Fear of Flying," her novel about a liberated woman's sexual adventures — as well as such of her other works as "Fanny," her 18th-century historical novel — become movies.

Bogie

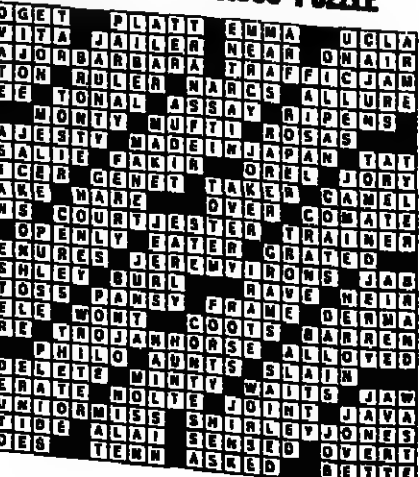
BY BARBARA LUNDERGILLIS/Puzzles Edited by Eugene T. Malachuk

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 - 50 Spur
 - 51 AR's antithesis
 - 52 Port side when sailing south
 - 54 Young hare
 - 56 "Beau Geste" locale
 - 58 Bohemian dance
 - 61 Piedmont city
 - 62 Antarctic base
 - 64 Bronowski's "The Ascent"
 - 65 Governor of N.Y.: 1869-71
 - 68 Resource
 - 69 Encircling
 - 72 City in Portugal
 - 73 Sight at a marina
 - 75 Arab prince
 - 76 Like some causes
 - 78 Locale of the Pindus Mountains
 - 81 — bullet
 - 85 Record
 - 86 Gula
 - 88 Turkish regiment
 - 90 Benevolent Chinese spirits
 - 91 Blind alley
 - 93 Type of car or hall
 - 95 Furnes
 - 96 Honshu city
 - 97 "Barefoot" lady
 - 99 Baghdad native
 - 102 Admonishes
 - 104 Radio signal term
 - 109 A Gorgon
 - 111 Dance for Washington
 - 114 Smooth
 - 116 Tony's relative
 - 117 Hammett book



- DOWN**
- 1 Seaport in Guinea
 - 2 Choose and take
 - 3 Free India's first P.M.
 - 4 Debussy's "de Lune"
 - 5 Hands
 - 6 Mussolini's daughter
 - 7 Stadium sounds
 - 8 Fuzzlers' tools
 - 9 City where they're raisin' raisins
 - 10 Washer cycle
 - 11 Caesar's "ipse"
 - 12 Sign that could stop a truck
 - 13 Sherwood play (with "The")
 - 14 Pungent
 - 15 Whizzer or E. B.
 - 16 Davey of baseball
 - 18 Severn feeder
 - 19 Wook novel (with "The")
 - 23 Composer
 - 24 Border
 - 25 Young salmon
 - 31 City in Hungary
 - 33 Nova, e.g.
 - 36 Pulls
 - 37 Cruising
 - 38 "Deutschland — alles"
 - 40 Crony
 - 41 — du Diable
 - 42 Scorpio-Sagittarius mo.
 - 43 Forester book
 - 44 Henley competitor
 - 46 Emulate a lark
 - 47 Famous mother-in-law
 - 48 City on the Nile
 - 51 Worries
 - 53 Savor
 - 55 Kennedy initials
 - 57 Dispatch
 - 58 Kin of kvass
 - 60 Flint implements
 - 63 Chandler book
 - 65 Ziegfeld's first wife
 - 66 Shaped like an avocado
 - 67 "Dancin'" director
 - 68 Brazilian boundary river
 - 69 Address film
 - 71 Friend, in Falaise
 - 74 Elderly
 - 77 Migrant
 - 79 Jargon
 - 80 Critic Faure
 - 82 Bond
 - 83 Fell
 - 84 U.S.N.A. grad
 - 87 Chew like beavers
 - 89 Looped handle
 - 92 Footpace
 - 93 Reed or Mills
 - 94 Affronts
 - 97 Soviet peninsula
 - 98 Hebrew letter
 - 99 Bolognese painter: 16th century
 - 100 Arise
 - 101 Donizetti heroine
 - 103 Improve
 - 105 Map
 - 106 More competent
 - 107 "Le — du Printemps"
 - 108 Disdain
 - 110 Aleutian island
 - 112 Small case
 - 113 Swiss patriot
 - 115 Joint
 - 118 Producer
 - 119 Win at musical chairs

ANSWER TO PREVIOUS PUZZLE



John Updike: "One problem is that my works are quite verbal."



William Styron: "Meddling" helped sour him on Hollywood.



Joyce Carol Oates: "Certain things can't be translated to film."

other leading novelists and film makers, similar answers emerged — the costs of movie making, the task of translating subtle and complex works into film and the difficulties of dealing with a novelist's tone and point of view.

"One of the problems with turning my works into films," Mr. Updike says, "is that they are quite verbal in their life — that's more or less true of all books, but it's the case to an exceptional degree in mine."

"But more importantly," he says, "I think my books try to raise questions about our moral certainties — sort of dealing in them instead of manipulating them. For example, with Rabbit Angstrom the question is meant to be raised of how bad or good a man Rabbit is, not whether he is good or bad."

"I try to look at our moral certainties," he says, "with an eye to questioning them, of doing something provocative. In 'Couples,' I tried to create a happy ending for the plot on the surface of troubling, shifting, dubious doings. That novel, I think, and perhaps others, proved quite resistant to the sort of idea of heroes and villains that film makers and filmmakers — including myself — depend on." Mr. Updike's most recent novel, "The Witches of Eastwick," is currently being made into a film, and he says he is curious to see how it handles his moral ambiguities.

"When a movie company buys a novel," Mr. Vonnegut says, "they're shortchanged, because often one character is missing — the author."

"I think that is one reason there have been no good films of Hemingway or Fitzgerald stories or novels — because in each case they have not been able to imply the presence of an

strongly implied in the books."

Mr. Styron, whose fourth novel, "Sophie's Choice," won an Academy Award for Meryl Streep when it was filmed, feels that two of his earlier works, "Lie Down in Darkness" and "Set This House on Fire," "are works of dense texture — which any worthwhile piece of fiction are — and they're difficult to transcribe into another medium. Both of those have a lot of introspection, and I think their quality rests in the prose itself."

Frantisek Daniel, dean of the School of Cinema and Television at the University of Southern California, in Los Angeles, believes "it's easier to make a great movie from a mediocre novel than from a masterpiece." In adapting novels and short stories, he says, "there's always one major problem, which is that a perfect or a great novel is a piece that is complete in the genre in which it was written."

"You also have several specific problems," he says. "One of them is that the style of the narrative makes the material as powerful as it is — it's not the story itself, it's the way the story and the characters are seen, and are described, and are X-rayed and elucidated by the narrator himself. The point of view also makes some of the novels very difficult to translate to the screen. Take 'Sophie's Choice,' for example. William Styron's book is done in third-person narration by a subsidiary character, and this presents a tremendous problem for the adapter because in film we identify closely with the people on the screen, and if you keep the narrator in the story he can become the main character. Yet as a dramatic character he is not fully developed."

Another problem, he says, is the

theatrical films, although his short novel "Seize the Day" was filmed recently with Robin Williams and Jerry Stiller. Some of his books — "Augie March" and "Henderson" — have been under option, but haven't gone further. Mr. Bellow's agent, Harriet Wasserman, has remarked that "people often say Bellow's novels are too internal for the movies."

Mark Harris, himself a novelist, a professor of English at Arizona State University and the author of a critical analysis of Mr. Bellow, "Saul Bellow: Drumlin Woodchuck," says: "Literary people may think something will make a great movie, but the works are too complex, and complexity is not what movie makers are prepared for — when they try, they realize why they were afraid to do it."

Whatever the writers and academicians think, however, what matters most is what the movie makers believe. One producer who has brought many works of fiction — "Roots," "The Thorn Birds," "North and South," "Hanta Yo" — to both movie and television screens is David L. Wolper, and he generally agrees with Mr. Harris.

"Books can be literarily great and well written but have a lousy story," he says. "You can have a great book about a man sitting in a park looking at people, but a great book like that can't be brought to the screen."

The independent producer Ismail Merchant feels that "when American movie makers take a novel they always try and make a very big-canvas film, with a lot of money, and that is a fallacy. They always want to make it with big production values, where the icing is more important than the contents of the cake."

"They don't try" to make movies

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MARKET PLACE

PINHAS LANDAU

The bluff is called

The opinion polls got it wrong, as they so often do. All the surveys of cabinet ministers saw a very close vote to decide whether to let Bank of Israel Governor Michael Bruno suspend Bank Discount Chairman Raphael Recanati, and most observers thought that in the event Bruno's request would be turned down. They were all quite wrong, as we now know. The two most important factors regarding the vote are the size of the majority — 12 to 7 — and the make-up of the three voting groups — the ayes, the nays and the abstainers.

Among the many facets of the bank-share scandal and its aftermath (including the Bejski Commission and its aftermath) that future historians will puzzle over, will be the fact that the top leadership of both major parties voted against or abstained on the issue of Recanati's suspension. They will also keep busy pondering why it was the second echelon that provided the majority against Recanati and for Bruno and Bejski.

Peres, Rabin and Navon for Labour, and Levy and the Likud, all abstained. Shamir and Sharon voted against, along with Modai and the Liberals (that's what they call themselves). Bar Nissim, of course, Finance Minister Moshe Nissim was the only senior minister on the winning side. While in terms of policy and executive power the big winners are of course Bruno and his assistants, notably Examiner of Banks Galla Maoz, the big political winner is Nissim, who racked up his second major triumph in a week (the defeat of the nurses was the first). Furthermore, while all the other leaders are buried in the Shin Bet affair, Nissim is clear of the mess, having been removed from the Justice Ministry just in time.

Thus, there is ample meat for the political pundits to chew over. But the consolidation of the Nissim-Bruno team (it was the Finance Minister, after all, who forced Bruno on an unwilling Labour Party and pushed him into the governorship) has major implications for the economy. Coming on top of an already well-established Treasury team led by Director-General Emmanuel Sharon, it provides a firm and stable counterweight of senior civil servants to the shifting, crumbling alliances of the politicians, who are their nominal masters. The interplay between these two groups will be crucial for economic developments later this year and into next, when the going gets tough again.

There is one area where Bruno, building on his strong start, can, with Nissim's active support, make a rapid and effective change; the financial services sector.

It should be realized, although they prefer it left unsaid, that there were huge signs of relief at the headquarters of the two big banks yesterday afternoon, when the vote result finally arrived. Not necessarily because they have it in for Discount, but because they felt that they could not afford to lose Bruno. Since Bruno, with every day he spends in office, emphasizes the difference between himself and his predecessor, this point hardly needs elaborating.

BRUNO SWINGS

(Continued from Page One)

Minister without Portfolio Yosef Shapira, angered at Pat's comment, said the bank's management must be totally irresponsible if it was ready to punish its clients simply because its dignity was slighted. Shapira told his colleagues he was agitated at the hundreds of thousands of bank dollars which Discount was pouring out in its campaign to back Recanati.

Economic Minister Gad Ya'acobi said that he could not accept the mockery of Bejski, Bruno and the Knesset Committee reflected in the words of Pat and Modai. He said the Discount managers could not be absolved of guilt merely because that guilt was shared by a wider number, in the government or in other bodies.

Interior Minister Yitzhak Peretz said that Recanati should not be punished since there was no danger he would again regulate the shares of

U.S. appears alone in cutting prime rate

PARIS (AFP) — The unity of the Group of Five, the exclusive club of major industrial powers consisting of Britain, France, West Germany, Japan and the U.S., appeared shaken this weekend after the U.S. failed to secure the support of its partners for a further cut in interest rates.

The U.S. Federal Reserve Board lowered its discount rate from 6.5 to 6 per cent effective last Friday, describing its move as "appropriate in the context of a pattern of relatively slow growth in the U.S. and in the industrialized world."

It was the third such cut so far this year, and brought the rate to its lowest level since the second half of 1977. Major U.S. banks immediately reduced their prime rates — the rates they apply to their best customers — by half a percentage point to 8 per cent.

In two previous rounds of interest rate cuts earlier this year, in February and April, G-5 central banks coordinated their actions, as a follow-up to last September's agreement on joint measures to drive the overvalued U.S. dollar down.

Over the weekend, the Fed took unilateral action, and European

monetary officials said privately they felt this came largely as a result of pressure from the Reagan administration to stimulate U.S. economic growth after a poorer than expected performance during the first half of the year.

The rationale for the September G-5 agreement to coordinate monetary policy was largely the need to achieve a depreciation of the dollar of the magnitude needed to temper protectionist pressures in the U.S. and reduce the country's towering trade deficit.

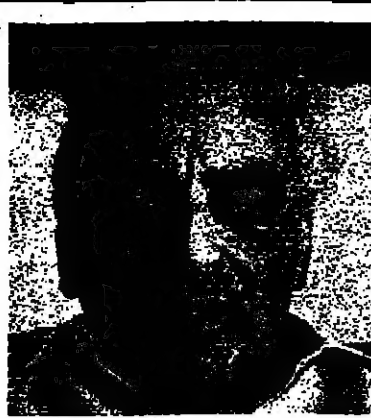
Since the annual meeting here last April of the 24-nation Organization for Economic Cooperation and Development (OECD), the U.S. administration has used every opportunity, including the Tokyo summit of the seven leading industrial powers early last May, to push for steps by its partners to speed up their growth.

It has made it clear that this would increase demand for U.S. export goods and so help reduce its trade deficit, which appears set to widen further this year despite the massive de facto devaluation of the dollar over the past 15 months. However, the reaction was cool to the Fed's discount rate cut from the central banks of West Germany and Japan, the two countries which have the largest trade surpluses with the U.S.

Both in Frankfurt and Tokyo, officials argued that there was no domestic need for any further lowering of their discount rates, both among the lowest in the industrial world at 3.5 per cent since last April.

Here in Paris, officials pointed out in private that the Bank of France had done its part by successively bringing down its key rate, the money market intervention rate, since April.

And in London, financial experts said the further collapse of oil prices, which put pressure on the pound sterling at the weekend, appeared to have effectively ruled out participation by Britain in a concerted action to cut interest rates.



Haim Haberfeld (Andre Brutman)

Haberfeld attacks Gur for prolonging nurses strike

By ROY ISACOWITZ

TEL AVIV — Haim Haberfeld, Department Chairman Haim Haberfeld yesterday lashed out at Health Minister Moshe Nissim and his ministry, saying that their failure to act effectively had prolonged the nurses' strike.

"Had the ministry of health and the minister acted as they should have acted, the strike would possibly not have happened at all and would certainly have ended earlier," Haberfeld said.

He maintained that in early meetings with the nurses Gur had justified all the nurses' demands, including their demand for higher wages, "until it dawned on him that he was a member of the cabinet and bound by the cabinet's decisions." At that point, Gur had simply "passed the ball to the Histadrut," Haberfeld said.

Haberfeld told the Histadrut executive that the nurses' wage demands would be dealt with in the national wage negotiations, currently in progress. He stressed that they would not be granted sectoral increases that would "shatter the national wage agreements."

The executive passed a resolution condemning the alleged attempts by unnamed "elements" to split the Nurses Union and praising Haberfeld and Histadrut Secretary-General Yisrael Kessar for their efforts in ending the strike.

Gov't probing Dubek's role in shortage of cigarettes

By MICHAEL YUDELMAN

Jerusalem Post Reporter

TEL AVIV — The Industry and Trade Ministry will investigate whether Dubek Ltd., the only domestic cigarette manufacturer, has violated the Business Restriction (Monopoly) Law, in allegedly helping to create the cigarette shortage of the past month.

Cigarettes continued to be in short supply yesterday, with many retailers getting no deliveries either yesterday or last Friday. Dubek said last week that workers, whose slowdown is said to be the principal reason behind the shortage, would increase production to 85 per cent the usual level, up from 70-80 per cent.

Dubek's workers now claim that the company is running at some 80 per cent of its normal production level, while management now admits that in fact only some 70 per cent are being produced.

Dubek's workers, who are now involved in negotiations with the management over wage demands, were ordered by the labour court last week to resume normal production during the negotiations. Following scores of complaints to the Industry and Trade Ministry, Zeev Galmor who supervises enforcement of the Restrictive Business Law at the ministry, decided to investigate whether Dubek's management had abetted the shortage, as a means of pressuring the government to approve higher cigarette prices.

According to the law, Dubek, as a monopoly, can be ordered to resume normal production if the shortage is contrived. But if the shortage is caused by workers' sanctions, the law cannot be applied to them.

Dubek's management is reluctant to press charges of contempt of court against the workers, with whom it is currently negotiating a wage pact.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	115.70	-0.56%
Non-Bank Index	134.10	-0.17%
Arrangement	107.47	-0.75%
Insurance	148.20	-1.50%
Commerce, Services	159.74	-0.19%
Real Estate	162.96	-0.38%
Textiles	122.85	-0.02%
Tobacco	147.28	+0.05%
Metals	115.08	+0.57%
Electronics	95.94	-0.07%
Chemicals	125.20	+0.14%
Industrial Invest.	115.37	-0.53%
Investment Corp.	134.15	-0.12%
General Bond Index	110.85	+0.17%
Index-linked Bonds	111.18	+0.06%
Fully-linked	112.58	+0.07%
Partially-linked	110.34	+0.07%
Dollar-linked Bonds	100.01	+0.52%
Short-term 0-2 yrs	105.03	+0.06%
Medium-term 2-5 yrs	105.88	+0.20%
Long-term 5+ yrs	107.26	+0.12%

Turnovers:

Shares — total	NIS 5,305,500
Arrangement	NIS 1,528,800
Non-bank	NIS 3,776,700
Bonds — total	NIS 5,104,300
Index-linked	NIS 3,578,500
Dollar-linked	NIS 1,524,800
Treasury Bills	NIS 1,026,200

Share Movements:

Advances	105	(138)
Declines	132	(100)
Unchanged	15	(2)
of which 5% +	1	(1)
of which 5% -	1	(1)
of which 5% =	1	(1)
Trading Halt	56	(58)

Bond Market Trends:

Index-linked	Stable/slightly mixed
3% fully-linked	Stable/slightly mixed

4.25% fully-linked

80% linked	Stable/slightly mixed
Double-linked	Stable/slightly mixed
Dollar-linked	Stable/slightly mixed
Admon	Rises to 0.5%
Rimon	Rises to 1.5%
Gilboa	Rises to 1.5%

For Curr.

denominated	Mixed to 1%
Treasury Bills	(monthly yield)
1.39-1.47%	

Arrangement yields:

IDB ord.	13.21%
Union 0.1	12.70%
Discount A	12.65%
Mizrahi r.	12.49%
Hapoalim r.	13.12%
General A	12.84%
Leumi stock	12.57%
Fin. Trade I	11.02%

SELECTED PRICE QUOTATIONS

Trade & Services

Metr Ezra	4107	100	-7.0
Supersol 2	4950	251	-
Delek	2880	1215	-1.4
Lightage	no trading		
Gold Storage	no trading		
Dan Hotels	3701	48	+0.0
Yarden Hotel	3350	226	+2.1
Hilon	14000	3	+5.3
Team 1	1775	90	+2.0

Commercial Banks

(not part of "arrangement")			
Maritime 1	1010	1221	-2.4
General non-arr.	27250	71	+0.3
First Int'l	3530	1750	-1.1
FBI	3880	1213	-1.5

Commercial Banks

(part of "arrangement")			
IDB	61400	463	-1.8
Union 0.1	61201	48	-1.3
Discount	105100	43	-
Mizrahi	34000	330	+0.4
Hapoalim r.	25400	781	-1.5
General A	143000	5	-0.8
Leumi 0.1	35589	1205	-
Fin. Trade	48770	-	-

Mortgage Banks

Leumi Mort.	4485	56	-0.2
Dev. Mort.	1374	365	-1.4
Mizrahi	2185	173	+2.3
Tefahot r.	12000	25	-0.4
Merav r.	4770	5	-1.6

Financial Institutions

Agri. Co.	no trading		
Ind. Dev. DD	no trading		
Cla Leasing 0.1	12979	68	-2.0

Insurance

Ararat 0.1	840	417	-3.4
Hassan r.	480	6868	-0.4
Phoenix 0.1	545	591	-4.4
Hamishmer	7030	115	-1.4
Memora 1	7950	51	+1.7
Sahar r.	4200	68	-
Zion Hold. 1	16800	-	-

Real Estate, Building and Agriculture

Azorim	800	5411	+0.3
Elion	438	6673	+0.3
Supersol 1	32880	7	-0.3
Dankner	3890	69	-
Prop. & Bldg.	2610	1947	-2.9
Bayshore 0.1	3800	120	+2.7
ILDC r.	47800	184	-0.6
Rasmo r.	6800	90	-
Mehadrin	6710	183	-1.2
Hadarim	1100	182	-

Industrials

Dubek b	3500	103	-
Pr-Za 1	1951	467	-
Sunfront	7650	-	-
Elita	13000	153	+1.7
Adgar	850	975	+4.2
Argem r	12000	68	+4.3
Delta 0.1	4080	278	+5.3
Maquette 1	23342	8	-5.0
Eagle 1	11500	83	-
Polgat	3168	482	-
Schoellern	11750	93	+3.4
Rogovin	3500	35	-
Urdan 0.1 r	9250	84	-4.5
Is. Can Co. 1	1140	1219	-
Zion Cables	2188	289	-
Packer Steel	6500	91	-2.9
Ebit	401100	9	+0.0

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FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS July 11, 1986

SHEKEL INTEREST RATES

PRIME BORROWING RATE: 1.25% per month

Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	11.7	7-13.5%	8-14.75%	8-17.75%
Hapoalim	—	—	—	—
DISCOUNT	—	—	—	—
MIZRAHI	13.7	8-15%	8-15.50%	9-17.50%
FIRST INT'L	—	—	—	—

Rates vary according to size of deposit.

(Tapes: demand deposit paying daily interest.

Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of July 11)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	6.125	6.125	6.125
STG	8.125	8.875	8.750
DMK	4.000	4.125	4.125
SFR	4.000	4.125	4.125
YEN	2.875	2.875	3.000

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES

	CHEQUES AND TRANSFERS	BANKNOTES	Rep.
U.S.A. Dollar	1.4867	1.5053	1.4867
U.K. Sterling	2.2531	2.2613	2.2531
Deutsche Mark	0.8820	0.8805	0.8820
French Franc	0.2124	0.2151	0.2124
Dutch Florin	0.0503	0.0519	0.0503
Swiss Franc	0.8343	0.8447	0.8343
Canadian Dollar	0.2090	0.2116	0.2090
Norwegian Krone	0.1974	0.1988	0.1974
Danish Krone	0.1826	0.1832	0.1826
Finnish Mark	0.2921	0.2957	0.2921
Austrian Sch.	1.0737	1.0832	1.0737
Austrian Dollar	0.8470	0.8589	0.8470
S. Africa Rand	0.5781	0.5833	0.5781
Belgian Franc	0.3286	0.3338	0.3286
Austrian Sch.	0.9707	0.9829	0.9707
Italian Lira	0.0351	0.0353	0.0351
Japanese Yen	0.0242	0.0246	0.0242
Jordanian Dinar	—	—	—
Egyptian Pound	—	—	—
ECU	1.4888	1.4767	1.4888

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EUROPEAN FINANCIAL MARKETS

PRECIOUS METALS

PRECIOUS METALS				
GOLD:	LONDON	A.M. FIX	347.65	P.M. FIX 348.10
	PARIS	NOON FIX	348.92	ZURICH P.M. 348.10
SILVER:	LONDON	FIX	506.25	
PLATINUM:	LONDON	P.M.	436.85	
PALLADIUM:	LONDON	P.M.	112.25	

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Good sense prevails

IN STRICTLY legal terms, the government yesterday did nothing but take the one obvious necessary step immediately open to it in the circumstances. It did not, for it could not, dismiss Raphael Recanati from the chairmanship of Discount Bank. But the government did authorize Israel Bank Governor Michael Bruno to go ahead and suspend Mr. Recanati for three months from his post.

Mr. Recanati is the only one among the heads of the four big banks involved in the bank-share regulation who has had the temerity for two months now to resist the Bejski commission's recommendation that they all take an unlimited leave of absence from their banks, and from banking in general. To let Mr. Recanati go scot-free and untouched as chairman of Discount Bank on the absurd ground that - even after the bank-share arrangement - he is heading a private, family bank immune to outside intervention, would have been to make a mockery of any notion of orderly and moral system of government.

As Governor Bruno rightly pointed out to the ministers, even if the commission had not actually called for the discharge of Mr. Recanati and his fellow banking plotters, its findings of fact about the extent of their malefaction during the years before the big crash would have warranted action against them.

The head of Bank Hapoalim, to his credit, stepped down, needing no special urging, right after the publication of the commission's report. The chiefs of Bank Leumi and Bank Mizrahi held on for dear life, or for better terms, but were finally eased out by their boards of directors. Only Mr. Recanati, plainly counting on the fervent support of his obliging boardroom, haughtily challenged the government to come and get him.

So it did. Not, it is true, without a furious five-hour debate among the ministers. And by a bipartisan vote of only 12 to 7, with 6 abstentions. And the suspension, technically, is for just three months.

But indications the day before were that the decision to suspend, if adopted at all, would pass by the slimmest possible majority. Mr. Recanati had, by a well-oiled propaganda campaign, contrived to persuade more than a handful of ministers that Governor Bruno had but a flimsy legal case against him; that Discount Bank would collapse without his family - meaning him - in command; and that, at any rate, it was most unjust to have him condemned for life from banking by a mere commission of inquiry, without at least the right of appeal.

The government met that latter objection by unanimously approving Dr. Yosef Burg's suggestion that the ministerial committee on the Bejski commission's report should meet to limit that "sentence" in time. Had the ministerial committee ever been called into session after being set up, it would easily have discovered that a life term was by no means specified by the Bejski commission. But if a decision is needed to get things right on this score, then let this be done.

What matters now most, however, is that Mr. Recanati's suspension should start without delay.

Once it is set in motion, it is likely to continue, as it should. Mr. Recanati's lawyers may ask the High Court to overturn the government's decision yesterday, but their chances of success do not seem very bright. Should Mr. Recanati unaccountably prevail in the High Court, he would most likely be pounced upon by MK David Libai with his bill that embodies the banishment provisions of the Bejski report.

Moreover, if it is the legal arena on which Mr. Recanati pins his last hope, he might do well to recall that the Bejski commission has found *prima facie* evidence of his having committed some very serious banking crimes. His resignation at this late date need not necessarily pave the way to a presidential pardon, but it should be safer than a court battle.

DISCOUNT SHAKEN

(Continued from Page One)

and the Bruno was well within his rights, having lined up authorization from that cabinet and the Bank of Israel licensing committee, as the law requires.

The Discount Bank itself issued no formal statement after the cabinet meeting, other than to say that the decision was received "with sorrow and surprise." Reports spoke of "shock" among senior managers of the bank, which had launched a widespread campaign in the news media to explain its position and had also lobbied ministers and Knesset members.

Rotenstreich's change of attitude may prove important in determining how the Discount Bank's board reacts to Bruno's expected move to suspend Recanati. When Bruno summoned the bank's board and Recanati shortly after his appointment, and pressed for the chairman's resignation, or dismissal, his pleas were rejected. At that time, Rotenstreich told *The Post* that were the government to formally endorse the recommendations of the Bejski commission, he believed Recanati would have no choice but to resign. Asked yesterday if the cabinet's decision represented such an endorsement, Rotenstreich said it was definitely so.

It remains to be seen, however, whether other members of the board, in particular those chosen by the Recanati family - who form the majority - will adopt a stance similar to Rotenstreich's.

In financial circles, there was growing speculation last night on whether the Discount Bank's senior managers would implement their

threat to resign if Recanati, the chairman and general manager were dismissed, or whether they would accept a Bank of Israel imposed suspension and nominate a replacement as general manager - possibly another member of the Recanati family, such as Raphael's son, Oudi.

If the board does not name a successor, Bruno is empowered to appoint a manager on behalf of the Bank of Israel. Furthermore, if all the senior managers resign, the Bank of Israel has contingency plans to bring in its own management team to run the bank. The threat by the Discount Bank staff to shut down the whole bank in the event of Recanati's dismissal is not taken seriously, although it is not clear what would happen if they did so.

Supporters of a bill introduced by MK David Libai on behalf of the Knesset Control Committee are seeking to have it approved within the three-month suspension period. The bill would empower the governor to dismiss a banker permanently, thereby eliminating the need for the whole process of authorization and suspension to be repeated in three months.

The cabinet, with the vote to suspend Recanati behind it, will soon be presented with the conclusions of a team of senior Treasury and Justice Ministry officials regarding the structural and legal reforms proposed by the Bejski commission. When this report is received, Finance Minister Moshe Nissim plans to summon, for the first time, a special ministerial committee, to examine ways of implementing the Bejski commission's recommendations.

WORSENING relations marked by daily squabbles between Labour and Likud, the two main parties in the so-called national unity government, throw into relief once again the futility of coalition politics. Israel is close to being ungovernable: yet the problem is soluble. All the country needs is a change in the voting system.

A bill introducing the necessary reform will be tabled in the Knesset during the coming days. If and when it is passed and elections are held under the new method, the faction that wins the most votes will be endowed with sufficient parliamentary seats to govern the country on its own; or if not on its own, then with minimal coalition support.

The difference this will make to the life of the nation is incalculable. Much of Israel's troubles derive from the fact that the existing system is hopeless; cabinets are fragmented: no single party is in charge of the administration; mini-factions hold the authorities in thrall and no prime minister is his own master.

The call for electoral reform dates back to the Ben-Gurion days of 30 years ago and there has been little progress since. It is common to blame the small parties but that is a mistake. Labour and Likud both support constitutional change - it is written in their respective party programmes - and they command enough votes to carry it through.

They do not because they themselves are offshoots of the present system. The Knesset member today is not chosen by the people, but by the party. Under the new system he might not be elected, so why take the chance?

Not all think the same way and the

Another try at electoral reform

DAVID KRIVINE

reformers are banking on that. Gad Ya'acobi, Minister of Economics, one member of the cabinet, has stuck to his guns to the end. He formed a six-member coalition committee, under his chairmanship, to draft electoral reform proposals. The other members are Moshe Shalal (Labour) and Amnon Rubinstein (Shinui) and Moshe Arens, Haim Corfu and Sara Doron (all Likud).

The Likud members stalled Ya'acobi's proposals. The reason is not hard to guess: they fear that if a direct-ballot system were introduced Labour would win. What interests them is not Israel's political future, but the next general election.

Labour members got together and decided, for obvious reasons, to submit a private member's bill. A drive would be made to canvas individual parliamentarians. Simha Dinitz was invited to head the campaign.

He formed a group of backers from different parties. (Not all

Likudniks are against reform.) Members are: Dinitz himself (Labour), Mordechai Virshubski (Shinui), Uriel Lynn (Liberals), David Magen (Herut), and Rafael Eitan (Tehiya).

"We went from Knesset member to Knesset member," Dinitz says. "We got support from students' unions and other outside bodies, notably the Committee of Concerned Citizens. With great effort we have managed to mobilize 44 parliamentary signatures. The measure we propose amounts to a change in the country's Basic Law which requires the support of 61 members. This we have because, while cabinet ministers and deputy ministers are not supposed to sponsor private bills, there is enough support from them to give us the requisite majority."

WHAT THEN is the problem? "The problem is to find a day when all 61 supporters are present in the house and ready to place their vote. If the bill is defeated we cannot submit another for six months," he warns. The bill divides the country into 16 electoral districts each electing five Knesset members, totalling 80 in all. The remaining 40 members will be elected nationally as at present.

Why not choose all 120 members in electoral districts? Gad Ya'acobi explains that "we must ensure proper parliamentary representation for important minorities such as the Orthodox and the Arabs. This bill will increase the representation of the big parties and eliminate tiny splinter-factions. Any slate winning less than 3.25 per cent of the total vote will fail to get a seat."

The Knesset will still be multi-

Dry Bones

THAT MAN WILL NEVER RUN A BANK IN THIS COUNTRY AGAIN!

NEVER NEVER NEVER

BUT HE SAYS HE WON GO

WHAT?! THAT DOES IT!

THAT MAN IS HEREBY SUSPENDED!

FOR THREE MONTHS.

form, but the cabinet will be able to govern. Says Ya'acobi: "What we have now is a government of national paralysis. Two political blocs roughly equal in size cancel each other out, and there is no central authority."

Anybody who listened to Justice Minister Yitzhak Moda'i on televi-

sion last week, on his thoughts of Prime Minister Shimon Peres, can only ask himself how much longer can the country be governed by a cabinet of sworn enemies?

"This vote is tenuous for Israel's future," Ya'acobi says. "If this bill does not go through there will be a terrible price to pay."

READERS' LETTERS

THE REFUSENIKS

To the Editor of *The Jerusalem Post* Sir, - The *Jerusalem Post* and Louis Rapoport are to be congratulated on the series of fascinating reports on Russian Jews. At a time when there is so much division among us, *The Post* has done a great public service by putting into the limelight this issue, which is of vital importance to us all, whatever our ideology.

It is to be hoped that your paper will continue to inform us regularly on the plight of Russian Jews. Information is constantly trickling out from there (though often not as detailed as that movingly reported by Rapoport), and it is our moral responsibility not to play into the hands of the KGB by failing to disseminate it widely and let public concern subside. As Rapoport's report should have convinced us, this would further discourage the refuse-niks, and to let that happen would be particularly cynical.

I.M. SCHLESINGER

Jerusalem.

Sir, - I am writing to congratulate your newspaper on the excellent coverage that you have recently given to the very sad situation of Soviet refuse-niks. It has been a source of distress to me that press coverage of this problem has always been minimal. Thank you for righting this wrong.

DAVID ADDELMAN

Jerusalem.

Sir, - I would like to thank you for the publication of a series of articles of Soviet Jewry. I would like also to congratulate the author, Louis Rapoport, for the excellent work he did.

I would like, however, to clear up one point. Referring to many refuse-niks, my brother among them, the author states: "They regard themselves as Israelis, held captive in a strange land." This point is repeated several times in the article. It seems that the author, overwhelmed by the information and feelings, missed a very important point that these people wanted to emphasize: They are Israelis. Over 800 Soviet Jews, upon their own request, have asked for and been granted Israel citizenship.

According to Israel law, their citizenship is as real and as valid as the citizenship of any Israeli living in Israel or staying in the U.S. About 200 of them wrote a letter to the Soviet authorities renouncing their Soviet citizenship.

The sad fact is that our government has not done anything to support and to demonstrate its support for these citizens. Numerous letters sent by the refuse-niks to the Israeli government and to the prime minister have been left unanswered.

The question of Israel citizens held in the USSR was raised recently in the Knesset, where representatives of various political parties criticized the government for its passivity. I hope very much that this discussion signifies a change in the attitude of the Israel establishment towards Israel citizens held in the USSR against their will.

SASHA SHIPOV,
Soviet Jewry Education and Information Centre

Jerusalem.

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NAZI-HUNTING

What few seem to realise is that the Holocaust is being oversold and its presentations are becoming an irritant and eventually will become a bore. This creates a backlash which gives new impetus to the latent forces of anti-Semitism. The election of Kurt Waldheim is a case in point.

Waldheim's over-paste reading "Thank you for your trust." (*The Post* - June 10) is addressed to the Austrian people. Surely some of the gratitude is due to the inept publicity generated by the World Jewish Congress, Yitzhak Moda'i and others.

We in Israel have to ask ourselves if, by supporting the Nazi-hunter myth, we are not doing a disservice to our brethren in the Diaspora. Or, being immune ourselves, do we only care when UJA-time comes round?

WIM VAN LEER

Jerusalem.

SMOKING IN HOSPITALS

To the Editor of *The Jerusalem Post* Sir, - While visiting a sick friend at Assuta Hospital in Tel Aviv, I noticed to my astonishment that doctors and nurses walked about with lit cigarettes, entering patients' rooms and even smoking within the operating theatre area.

This practice, more than being unhygienic and a fire hazard, constitutes a health hazard for patients and should be strictly prohibited.

RUTH GORMANNS

Haifa.

PR PRACTITIONERS

To the Editor of *The Jerusalem Post* Sir, - I and my colleagues of the Israel Association of Public Relations Consultants take strong objection to the broad-based attack on PR by Greer Fay Cashman ("In the market place" - June 24).

With all due respect to an intelligent and serious journalist, who is a friend of long standing, I must point out that Greer Cashman just hasn't bothered to differentiate between PR practitioners. Among media persons and police, college professors and garage attendants, licensed or otherwise, there are those who have more expertise, more experience, more insight into how to best serve their vocation than eager but possibly less competent newcomers.

The country's leading PR offices have organized in order to continue to raise the level of the profession in Israel. They are rarely guilty of the offences of exaggeration and excess which trouble your reporter and other newsmen and which, as a group, they are attempting to eliminate from the craft. Their skills and mature approach - I can personally attest - do not fall below those offered on Madison Avenue, despite limitations in the scope of media here.

In fact, such a broad-based attack on the public relations practitioner might be misconceived as a denial of the vital relationship of productive cooperation between PR and media in order to bring more useful information to the public.

Those who provide public relations counselling are guiding their clients in bringing almost every positive factor in our developing society into more effective, more viable contact with the community.

BURTON M. HALPERN,
Chairman,
Association of Public Relations Consultants

Tel Aviv.

Greer Fay Cashman comments:

Most PR firms would no doubt plead "not guilty," but the plea would not hold up under the wealth of press release evidence which just about every journalist in this country can produce. There is a general trend among PR companies to over-service their clients to prove they are doing the job.

ALL LEVANTINE

To the Editor of *The Jerusalem Post* Sir, - Why all the fuss over the GSS affair? After 38 years of statehood, this is just one more step on the road to our becoming a normal country in this area.

We have Levantine government and politics, Levantine financiers and bankers, Levantine ethics, and now Levantine justice.

We can continue happily with our progress to normalcy, until we acquire a Levantine army - and then, God help us.

I.H. LOUIS

Yasur.

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